

# BULLETIN

OF THE

## NATIONAL ASSOCIATION OF CREDIT MEN.

PUBLISHED MONTHLY BY

CHAS. E. MEEK, SECRETARY-TREASURER,  
41 Park Row, New York.

Entered as second class matter March 11, 1905, at the Post Office at New York, N. Y., under the Act of Congress of March 3, 1879.

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VOL. X {  
No. 11 }

NEW YORK, NOVEMBER 15, 1910.

{ SUBSCRIPTION  
50c. PER ANNUM

### CONTENTS

	PAGE
New Members Reported During October.....	822
Notes .....	825
Announcement of the Credit Man's Diary for 1911.....	831
Progress in Fire Marshal Matters .....	831
Kansas City Meeting of the Board of Directors.....	832
Going After a Preference with a Six Shooter.....	834
The Cheapness of Credit in this Country Makes the Credit Man's Task Difficult .....	835
Collections and How to Handle Them (Honorable Mention Essay), by D. W. Pomeroy, St. Louis, Mo.....	837
Methods for Opening a New Account by the Credit Department (Honorable Mention Essay), by Leon Joseph, San Francisco, Cal.....	839
The Nation's Fire Waste Every Man's Problem.....	843
A Trustee's Desperate Fight to do his Whole Duty Toward a Bankrupt Estate, Reads Like Bunyan's "Pilgrim's Progress".....	846
Adjusting a Discount .....	848
Some Characters You May Meet Also.....	849
Does Not Believe in Insurance or Banks.....	851
Missing Debtors Column .....	852
An Important Amendment in the Consignment Law of Ohio.....	852
An Important Bankruptcy Prosecution at Philadelphia.....	853
The Credit Man's Sphere as big as he Chooses to Make it.....	854
Where Resources are Strong .....	855
Thirty-Sixth Annual Convention of the American Bankers' Association.....	856
The Relations Between Retailer and Credit Man, by Fred H. Smith, Chicago, Ill.....	861
The Sherman Anti-Trust Law (A Brief Analysis).....	863
Told on a Credit Man Who Wanted a Watch Dog.....	866
"Dear Company Please tack a Little Pacion Wed Me".....	867
Association Notes .....	867
Buffalo .....	867
Cleveland .....	868
Columbus .....	868
Davenport .....	869
Denver .....	869
Detroit .....	869
Grand Rapids .....	869
Indianapolis .....	870
Kansas City .....	870
Los Angeles .....	871
Milwaukee .....	871
Minneapolis-St. Paul .....	871
Newark .....	872
New Castle .....	873
New York .....	873
New Orleans .....	874
Oklahoma City .....	874
Philadelphia .....	875
Pittsburgh .....	875
Portland .....	876
Pueblo .....	877
St. Louis .....	877
Salt Lake City .....	877
San Diego .....	878
San Francisco .....	878
Seattle .....	878
Spokane .....	879
Syracuse .....	879
Tacoma .....	879
Toledo .....	879
Wichita .....	880
Wants .....	880
Directory of Affiliated Branches of N. A. C. M.....	882
Directory of Adjustment Bureaus .....	884

Members of the National Association of Credit Men who have had dealings with the Sprague Mercantile Agency, of Chicago, Consolidated Adjustment Co. of Chicago, Barr & Widen Mercantile Agency, St. Louis, Whitney Law Corporation of New Bedford, Mass., National Collection Agency of Washington, D. C., International Law and Collection Agency of Dayton, Ohio, are requested to report the results of the same to the National Office.

## NEW MEMBERS REPORTED DURING OCTOBER.

### Ann Arbor, Mich.

Michigan Furniture Co.—Leonard Miller.

### Baltimore, Md.

Youse, C. J., Company—W. H. Fry.

### Bangor, Me.

Bangor Cigar Mfg. Co.—G. R. Youngs.  
Crosby, S. L., Co, The—Edw. F. Boyd, Treas.

Dunning, R. B., & Co.—John G. Dunning.

Haynes & Chalmers Co., The—L. C. White, Sec.

Rice & Miller Co.—Chas. L. Clark, Clerk.

Snow & Nealley Co.—C. L. Snow.

Thurston & Kingsbury—R. A. Kingsbury.

### Benton Harbor, Mich.

Kidd, Dater & Price Co.—J. P. Price.

Spencer & Barnes Co., The—Miss Mary L. Spencer, Sec.

### Boston, Mass.

Bird, Charles L.

Burke & Richard Co.—Fred C. Burke.

French, Shriner & Urner—Clarence H. Greeley, Sec.

Liberty Trust Co.—Allan H. Sturges, Treas.

Lees, Alan A.—Care of R. G. Dun & Co.  
Richards & Co., Inc.—W. S. Young, Sec.

Samoset Chocolates Co.—Alfred T. Haskell, Pres.

### Charleston, W. Va.

Indian Refining Co.—J. W. Ruggles.

Va. Elec. & Machine Wks.—E. M. Keatley.

### Chicago, Ill.

Advance Packing Co.—A. F. Morrison.  
Alshuler, M., Co.

Alston-Lucas Paint Company, The—Wm. F. Gallagher.

American Type Founders Co.—Chas. H. Duboc.

Armstrong, E. A., Mfg. Co.—Theodore Finn.

Banigan Rubber Co.—C. A. Eldridge.

Beacon Falls Rubber Shoe Co., The—Wm. H. Brady.

Becken, A. C., Co.—John W. Pain.

Chicago Hardware Foundry Co.—E. P. Sedgwick, Treas.

Consolidated Textile Mills—Jesse F. Rohr.

Dasenbrook Sales Co.—Chas. H. Dasenbrook.

Dearborn Drug & Chemical Wks.—Ray A. Pearce.

Eisendrath, Jos. N., Company, The—H. S. Singer.

Ender Coal & Coke Co.—T. H. Cochran.  
Feis Co., The—Edward Feis.

Halcomb Steel Co.—Garson Myers.

Juergens Bros. Co.—C. W. Juergens.

Klein, S., & Co.—B. A. Knapp

Lewy Bros. Co.—Ervin G. Lewy.

Mead, M. A., & Co.—Louis G. Buss.

Meyer, Harry L.

Morris, W. R., Co.—W. R. Morris.

Negrescou, John.  
Ottenheimer, L., & Son—M. Ottenheimer.

Reich, Langendorf & Voght Co.—F. M. Voght.

Rogers & Rollo—C. M. Rogers, Jr.

Sheahan, Kohn & Co.—J. Monroe Weil.  
Standard Hardware Supply Co.—C. L. Weeks.

Weil, Joseph.

Ziv, Sol! & Co.—G. F. Ziv.

### Columbus, Ohio.

Aetna Insurance Co.—W. B. Goodwin.  
Brown, John W., Mfg. Co., The—John W. Brown.

Capital City Rubber Co.—John L. Hoeschele.

Champlin Press—W. J. Sears.

Citizens' Trust & Savings Bank—Walter English.

Columbus Forging & Iron Co.—W. H. Aldenderfer.

Columbus Neckwear Co.—A. L. Cornman.

Columbus & Hocking Coal & Iron Co.—F. J. Shaffer.

Columbus Rubber Co.—W. A. North.

Furnace Ice Cream Co., The—H. A. Bloom.

Furnace Ice Cream Co., The—John C. Lynch.

Sackett Mine Supply Co., The—L. A. Sackett.

### Davenport, Iowa.

Schocker Bros. Bag & Paper Co.

### Dowagiac, Mich.

Beckwith, P. D., Est. of, Inc.—J. O. Becroft, Sec.

**Glens Falls, N. Y.**

Glens Falls Portland Cement Co., The  
—Geo. F. Boyle, Pres.  
National Bank of Glens Falls—John E.  
Parry, Cash.

**Grand Rapids, Mich.**

Cornet Corset Co.—H. Joslin.  
Grand Rapids Herald—Fred G. Whipple.  
Grand Rapids Piano Case Co.—M. H. Ducey.  
Knapp, John, Machine Co.—E. J. Vogt.  
Litscher, C. J., Electric Co.—C. J. Litscher, Pres.  
Schwarzschild & Sulsberger Co. of America—L. N. Hawkins.  
Simplicity Co.—Chas. Ashton.  
Weber, Otto, & Co.—J. Rademacher.

**Holland, Mich.**

Holland Furniture Co.—A. Knooihuizen, Mgr.

**Johnstown, N. Y.**

Ireland Bros.—J. S. Ireland.

**Kansas City, Mo.**

Burnap, F. P., Stationery & Printing Co.—K. F. Gardner.  
Cherokee Fuel Company, The—E. E. Trotter.  
Commerce Trust Company—J. C. Timpson.  
Heinz, H. J., Company—F. W. Thompson.  
Morris & Company—H. A. Masters.  
National Paper Box Company, The—E. B. Overstreet.  
National Reserve Bank—J. L. Johnston.  
Pioneer Trust Company—E. W. Moore.

**Lincoln, Neb.**

Curtis, Towle & Paine—F. N. Dudley.  
Cushman Motor Wks.—E. B. Sawyer.  
Orcutt, J. C. & G. E.—J. C. Orcutt.

**Minneapolis, Minn.**

Bosworth, F. L., Co.—F. L. Bosworth.  
Fisk Rubber Co., The.  
Goodyear Tire & Rubber Co.—G. O. Faling.  
Grieb, Ajax, Rubber Co.—J. H. Hunziker.  
Heywood Mfg. Co.—Frank Heywood.  
Kettle River Quarries Co.—Henry B. Armes.  
Palmer, S. G., & Co.—A. B. Loye.  
Pence Automobile Co.—A. P. Jungck.  
Penn. Wm., Cut Stone Co.—H. B. Armes.  
Reed-Bennett Co.—J. M. Bennett.  
Roach, Tisdale & Co.—F. L. Ellsworth.  
United Motor Supply Co.—C. T. Mortenson.

**Newark, N. J.**

Salmon, H. B., Co.—H. B. Salmon.

**New York, N. Y.**

American Chiclet Co.—Henry Rowley.  
Bamberg & Risser—Charlotte Barry.  
Barnhart Type Foundry—Geo. W. Loop.  
Burgess, W. H., & Co.—Daniel Tatum.

Conron Bros. Company—N. E. Knibbs.  
Friedman, J., & Co.—B. D. Jacobs.  
Hatters' Fur Exchange, The—J. W. C. Campbell.

Kee, Soy, & Co.—Sam Chu.  
Kny-Scheerer Co., The—C. Koehler, Treas.

Linde, J. E., Paper Co.—S. Dana Kimball, Treas.

Manhattan Shirt Co., The—Max Petschek.

Manix, J. E., Co., The—J. E. Manix, Pres.

Mast, J. B., Co.—R. A. Linden, Treas.

Moller & Schumann Co.—H. Uehlinger.

State Bank, The—W. L. Burkett.  
Young, Herbert W.—care of American Express Co.

**Norfolk, Va.**

Friedman Manufacturing Co.—H. L. Belote.

Hoster Brewing Co., The—C. R. Clark.

**Oklahoma City, Okla.**

Morris & Co.—B. O. Haggerty.  
Pittsburg Plate Glass Co.—C. C. Breeding.

**Philadelphia, Pa.**

Cunningham, A. B., & Co.—N. F. Eberbach.

Faggen, Nathan, & Co.—Arthur Peck.

Ivins, J. S., Son—H. S. Roberts.  
Keebler-Weyl Baking Co.—Sheward Hagerty, Pres.

Limeburner, J. E., Co., The—J. E. Limeburner.

Penn Phonograph Co.—John B. Miller.  
Scott Paper Co.—E. Irvin Scott, Pres.

**Pittsburgh, Pa.**

American Bonding Company—Edward G. Roberts.

Dickey, Robt., & Co.—O. M. Coulter.

Doll, Jacob, & Sons, Inc.—Warren B. Dygert.

Engineers' Supply Company—B. Houston Hill.

English & Furey—B. E. Wright.  
Greenwood Construction & Supply Co.—M. Greenwood.

Summit Engineering Co.—E. L. Sullivan.

Weldon & Kelly Company—Joseph A. Weldon.

**Plymouth, Wis.**

Plymouth Chair Co.—C. W. Jackson.

**Portland, Me.**

Brunel, D. W., Shoe Co.  
Chenery Mfg. Co., The—W. M. Chenery, Pres.

Clark-Eddy Co., The.

Farnsworth, B. B., Shoe Co.—B. H. Farnsworth, Treas.

Prince, Wm. N., & Co.—Wm. N. Prince, Treas.

Woodman, Cook Co.—Edw. B. Cook, Treas.

**Richmond, Va.**  
Baldwin & Brown, Inc.—W. J. Doran.  
**St. Joseph, Mo.**  
Marwick, Mitchell & Co.—Chas. W. Reihl.  
**St. Louis, Mo.**  
Dictaphone, The—F. L. Scott.  
**St. Paul, Minn.**  
West Publishing Co.—Wm. L. Strong.  
**Salt Lake City, Utah.**  
Bernstein Cigar Co.—A. E. Bernstein, Mgr.  
Ogden Furniture & Carpet Co.—Hyrum Pingree, Mgr.  
**San Diego, Cal.**  
Armour & Co.—J. M. Purdy.  
Bank of Commerce & Trust Co.—Julius Wangenheim.  
Coast Produce Co.—Geo. B. Wright.  
San Diego Grain & Milling Co.—E. K. Hurlbert.  
Wandrey-Bangs-Ward Co.—B. J. Wandrey.  
**San Francisco, Cal.**  
Sunset Photo Supply Co.—Max S. Shirpser.  
Western Meat Co.—Jay C. Smith.  
**Saratoga Springs, N. Y.**  
Crippen & Reid—Robt. G. Reid, Pres.  
**Seattle, Wash.**  
Seattle Paper Co.—W. S. Washburn.  
Seattle-Tacoma Power Co.—David P. Pierce.  
**Sheboygan, Wis.**  
M. Winter Lumber Company—E. A. Lutze.  
**Spartanburg, S. C.**  
Clinchfield Fuel Co.—Edw. W. Reel, Sec. and Treas.  
**Tacoma, Wash.**  
Northern Pickle Co.  
Oriole Candy Co.  
Tacoma Paper & Stationery Co.

**Toledo, Ohio.**  
American Credit Indemnity Co.—A. W. Colter.  
Buckeye Parlor Furniture Co., The—A. C. Wanamaker.  
Conklin Pen Mfg. Co., The—C. E. Issler.  
Davidson-Gollmayer Lumber Co., The—C. H. Gollmayer.  
Donovan Wire & Iron Co., The—D. C. Donovan.  
Gelzer & Murphey Co., The—R. L. Gelzer.  
Gosline, W. A., & Co.—H. G. Heywood.  
Grosswiller, Joseph F., Supply Co., The—Jos. F. Grosswiller.  
Hull Brothers Umbrella Co., The—H. T. Rosacrans.  
Merrill & Broer Co., The—C. K. Merrill.  
Ohio Knitting Mills Co., The—M. Rosenberg.  
Paddock Merchandise Co., The—J. H. Paddock.  
Peninsular Engraving Co., The—H. G. Beach.  
Pinkerton Tobacco Co., The—Orr B. Bovard.  
Ransom & Randolph Co., The—F. G. Crandel.  
**Wichita, Kan.**  
Dold, Jacob, Packing Co.—C. E. Stotler.  
McCoy-Bryan Candy Co., The—John C. Bryan.  
**Youngstown, Ohio.**  
Bascom, J. C.  
Eckert, Myron H.  
Kramer, A.  
National Sand & Stone Co., The—B. H. Murray.  
Spencer, B. H.  
Walker, John.

The Customers' Fire Insurance Expiration Book is an invaluable help to the insured in maintaining a constant record of his fire insurance policies in all the essential matters connected therewith. The rulings and headings provide the following data:

Property Insured;	Rate of Premium;
Location of Property;	Term of Policy;
Name of Company;	Date Policy Issued;
Number of Policy;	Policy Expires . . . , 19 . . . ;
Amount of Policy;	(with column for each month)
Amount of Premium;	Date Policy Cancelled;
Date Premium Paid;	Remarks.

The arrangement of columns enables the insured to enter in a compact and comprehensive manner all the essential facts as to each policy purchased, and to learn at a glance any desired information concerning same. The Association has procured copies which members may purchase at the Association's cost, twenty-five cents delivered.



### Notes.

H. W. Grant, president of the Youngstown Association of Credit Men, was a caller at the National office during the past month.

A bureau for the exchange of credit information has been established by the New Castle Association of Credit Men. This brings the list of local associations having exchange bureaus up to forty, a gain of fifteen in less than two years.

D. L. Sawyer, Chairman of the Investigation and Prosecution Committee of the National Association of Credit Men, is now with F. Mayer Boot & Shoe Company of Milwaukee, having severed his long connection with Tibbs, Hutchings & Co., of St. Paul and Minneapolis.

A prominent referee in bankruptcy has recently said that his experience would go to show that in two-thirds of the bankruptcy cases no books of account have been kept. He declared that credit men will do well to adopt the rule that credit shall not be extended to the man who does not keep books.

Clark Howell, the excellence of whose work for the Charleston (W. Va.) Association of Credit Men is widely recognized, is planning to take a respite from all business cares in an all-winter stay in California. During his absence J. W. Higginbotham will be acting secretary of the Charleston association.

It is with regret that the BULLETIN learns of the death of Ernest Nuckolls, president of the Nuckolls Packing Co. of Pueblo, Colorado. Although never personally connected with this Association, Mr. Nuckolls warmly sympathized with its every purpose and his house was a cordial supporter of its work through the Pueblo Association of Credit Men.

The Memphis Association of Credit Men is checking up the use made by and service performed for the members of the information bureau by reporting in the association's monthly organ the activities of each member as shown by the number of inquiries made by each and the number of names contributed.

It occasionally comes to the attention of the National office that the name of the Association is being used by non-members in connection with credit information inquiries. Members are requested to notify Secretary Meek of any case of this kind coming to their knowledge.

The Credit Men's Associations at Philadelphia and Pittsburgh are working unitedly for the Municipal Courts Act now before the Pennsylvania legislature. Their attorney, Leonard S. Levin, has appeared before both organizations and laid before them a careful plan of action which was warmly approved by the membership generally.

At the October meeting of the Indianapolis Association of Credit Men the following officers were elected to serve one year: Aaron Wolfson, of Kahn Tailoring Co., president; Ralph K. Smith, of Fletcher-American National Bank, vice-president; Wm. H. Elvin, of Indianapolis Book and Stationery Co., treasurer, and C. Norwood Hawkins, of A. P. Hendrickson Hat Co., secretary.

The New York Credit Men's Association has been fortunate enough to secure the services of George W. Whiteside to represent it in prosecution and legislation work. Mr. Whiteside while an assist-

ant in the office of the district attorney of New York county showed his great fitness for the work which the New York association will have to turn over to him.

Harold Remington, special council of the National Association of Credit Men, in matters pertaining to the bankruptcy law and its administration was one of the principal speakers at the Los Angeles convention of the American Bankers' Association held last month. His subject was, "The Bankruptcy Law and the Banker."

W. B. Cleveland, secretary of the Memphis association, is recovering from painful injuries resulting from a runaway accident. Mr. Cleveland's companion, Eugene Stansbury, escaped unhurt and was on hand when the horse was caught and sold him to the man who stopped him. Although it was Sunday, Mr. Stansbury sustained his reputation for "Making Him Pay," collecting his money on the spot.

A member secured recently by one of the affiliated branches in writing the National office for association literature says: "Our work stretches out over the States, Canada and Mexico, and we are always glad to get hold of anything worth while. The subjects outlined in the BULLETIN looked mighty good to us. We regret that we did not become acquainted at an earlier date."

The Grand Rapids Association of Credit Men has adopted a very definite method of bringing into the association non-member concerns. In the local monthly bulletin a list of houses whose applications the Membership Committee would approve is published. In this way attention is called especially to those outside the circle and this will suggest to every loyal member some special name for him to work on. Why should not other associations find this effective?

It is told of a local association member who was about to resign that one of the officers discovered he had not the least comprehension of the advantages of membership. The backslider was urged to try out one or two of these. He did so and then so caught the spirit of credit men in association that he is now an ardent worker to get new members. It was a case of heart conversion as against the earlier acceptance of the association possibly through pressure.

At the October 24th meeting of the Oklahoma City Credit Men's Association the election of officers for the year resulted as follows: O. A. Mitscher, of Miller-Mitscher Co., was made president; L. N. Farnam, of Ridenour-Baker Mercantile Co., vice-president; Geo. F. Dean, secretary, and James Chenoweth, treasurer. Steps were taken to arouse a greater interest among the wholesale dealers of the city in the work of the Credit Men's Association.

President H. C. Barbee, under whose enthusiastic leadership the Norfolk Association of Credit Men has made a remarkable record of accomplishments, has originated a plan for giving Norfolk a special business organizations' building, with spacious auditorium and attractive buffet and luncheon facilities. Another feature planned for the building is a Norfolk products exhibit, so that it will be possible for a visitor to get quickly an idea of the broad range of Norfolk manufactures. Mr. Barbee expects to be ready soon to lay fully matured plans before those various Norfolk organizations which ought to be interested in the project.

J. H. Scales, of the Belknap Hardware & Mfg. Co., of Louisville,

furnishes the following from an old customer who can really furnish excellent references:

"I am a widower and would like for you to locate me a  
his widow or a brunet 25 to 45 years old. I am vary will  
situated at A———, ———. warth 15 to 20 thousand  
dollars.

"See around and lett me here from you on the subject.

"ANDREW D———."

Mr. Scales will gladly check the order if some one else will locate the goods.

L. H. Groesbeck, cashier of the Salt Springs National Bank and an enthusiastic member of the Syracuse Association of Credit Men was appointed by Governor Horace White, of New York, one of the seven delegates to represent the state of New York at the National Monetary Conference held November 11-12, 1910.

The many friends of Samuel S. Campbell in the National Association of Credit Men will all be glad to learn of his election to the office of vice-president of the Fourth National Bank of New York. Mr. Campbell has been long known and highly thought of in credit circles. His interest in the Association began while cashier of the Merchants National Bank when he represented his institution in the New York Credit Men's Association and the Night and Day Bank from the presidency of which he has just retired, has taken a consistent interest in everything pertaining to organized work for better credit conditions.

The Committee on Insurance of the New York Credit Men's Association are, in view of the drastic employers' liability law passed by the last legislature, advising that credit grantors ask all applicants for credit, especially if they are engaged in the building trade and factory lines, to answer the following:

(1) Do you carry legal liability insurance in a company or companies licensed to do business by the New York State Insurance Department?

(2) Do you carry compulsory liability insurance in a company or companies licensed to do business by the New York State Insurance Department?

It may be convenient for many members to know that the New Orleans Credit Men's Association is particularly well equipped to furnish reports on concerns located in New Orleans and the Parish of Orleans. The charge for doing so is nominal, but reports are made on the condition that the inquirer must furnish his experience in return. The association has an excellently well equipped adjustment department which also combines the investigation and prosecution of fraud interests of the association. Members everywhere are urged to use these excellent facilities giving the New Orleans Credit Men's Adjustment Bureau the trusteeship in all failure cases.

A party representing himself to be R. C. McCaffrey, pretending to be an officer of McCaffrey & Co., Peru, Indiana, wholesale grocers, called a fortnight ago upon one of our members in Pittsburgh, placed an order for a sample line of goods and on leaving requested that a draft for \$50 be cashed. He was accommodated and a draft drawn on the First National Bank of Peru was offered. The bank returned it stating it had no such man on its books. It was quite evident the party had a knowledge

of the McCaffrey concern's methods. He was fifty years of age, weighed probably 200 pounds, wore a brown mustache, had brown eyes and was about 5 feet 8 inches in height.

The Buffalo Credit Men's Association announces that its interchange credit bureau has established for the benefit of bureau members an extension of the service with like bureaus of the Boston, Baltimore, Cincinnati, Youngstown, Louisville and San Diego Associations of Credit Men. All that is necessary for the Buffalo bureau members is to write, enclosing returned stamped envelope, to the bureau in the city nearest the party information is wanted about and he will receive the numbers of the subscribers there who sell the customer. With these numbers in hand the Buffalo member calls up his own bureau and secures the names of the subscribers represented by the numbers.

One of the Association's members who has just been caught in a fraudulent transfer case, has offered the novel suggestion that a custom should be established of having a picture of the responsible party of every business on the concern's letter heads, or if that were not practical that credit men start the system of requiring a man's picture as well as his financial statement and references. Our member says it is his belief that if a rule of exchanging pictures were established by the Credit Men's Association, members could ask for them in the name of the Association and not as individuals and the custom would then grow rapidly. In this way he believes the rogues would be marked men as is impossible merely through property statements and other present-day methods.

John Smith, hereafter described as *A*, sends a claim for collection to the Wide-Awake Collection Agency which we shall call *B*; *B* in turn forwards the item to Day & Night, lawyers, hereafter described as *C*; *C* collects the money and remits to *B* less two-thirds of 10 per cent. *B* accounts to *A* but deducts a fee many times greater than 10 per cent. *A* protests but fails to secure an explanation satisfactory to him, *B* claiming the right to a large fee on the ground of extraordinary services. Now understand, *B* simply acted as forwarder passing back and forth the papers connected with the case. *C* brought suit doing all the necessary work.

Query.—If any one was entitled to extra compensation, who *B*. or *C*?

An echo of the bankruptcy of Zindel Corenman, of New York, to which reference was made in the August number, has made itself so clearly heard that intending witnesses in bankruptcy proceedings should pause and take heed. Isaac Eisenberg, a paper dealer of the East side in New York City, was called as a witness in the proceedings by Joseph A. Arnold, counsel for the trustee. Evidently Eisenberg testified not wisely, for on October 20th he pleaded guilty to an indictment for perjury found against him by the federal grand jury, and was sentenced by Judge Hand to serve six months' imprisonment. Corenman, the bankrupt, received a sentence of ten months for fraudulent bankruptcy. The prosecution of these men was undertaken at the instance of the New York Paper and Paper Bag Protective Association.

The Portland Association of Credit Men has discontinued issuing its monthly bulletin, which is replaced with the secretary's general monthly letter, that of October 15th being the initial number. Report is that the interest aroused by this letter is vastly greater than that taken in the printed bulletin and that the new idea is to do much to strengthen the association with all members. Another matter determined upon by

the officers of the Portland association is, that during the present year every meeting will be devoted strictly to matters pertaining to credit man's interests and not to general topics entirely out of his sphere. This will throw added burdens upon committees which are to have their work more generally discussed by the entire membership than heretofore. President Underwood has appointed as committee chairmen, men who never before served upon committees.

The Syracuse Association of Credit Men, at its September meeting, discussed the following questions. Its members desire to have opinions thereon from members of the Association everywhere. They should be sent to the National office:

What amount of business per annum can a firm safely do on a given amount of capital, say \$10,000?

Through what class of banks can the best results be secured in making sight drafts covering over-due accounts?

How should ledger accounts be kept where the town, the post office and shipping point are different?

What percentage of dealer's net worth should constitute the limit in credit extended him from any one house?

How would you define a moral risk?

Not so frequently as in the past, yet even now we hear comparisons made between state insolvency systems and national bankruptcy methods in which it is attempted to show that the latter are more wasteful than the former. But a case has just been closed in Bridgeport, Conn., under a state receivership which does not give support to the theory that state methods are preferable to national. Here was a little estate whose total available assets were less than \$3,250 which made such remarkable disbursements as the following, under protest from the creditors:

Cash disbursed by receiver in conduct of business,	\$869.71
Receiver's fees,	660.00
Receiver's attorney's fees,	750.00

After all expenses were paid there was left \$451 to be distributed among creditors having claims of \$8,028.

The United States post office has fixed upon forty-eight post offices, all of the second class, one in each state and territory to receive postal deposits under the Postal Savings Law of the last Congress. The system will be operated in these places as soon after January 1st as possible and as rapidly as can be arranged thereafter additional post offices will be designated, the expectation being that by June 1, 1911, postal savings banks will be in quite general operation throughout the entire country. It is hoped, by treasury officials, that the income to the government from this source will obviate the necessity of issuing Panama bonds as authorized by the tariff act of 1909. The results of establishing the postal bank will be followed with great interest. Purely from the thrift point of view it is undoubtedly good to have at hand convenient for all, places to safeguard small surplus funds and it is hoped that the government banks will become not only encouragers of thrift but a means of bringing into activity, resources which have never been brought into business service.

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ant in the office of the district attorney of New York county showed his great fitness for the work which the New York association will have to turn over to him.

Harold Remington, special council of the National Association of Credit Men, in matters pertaining to the bankruptcy law and its administration was one of the principal speakers at the Los Angeles convention of the American Bankers' Association held last month. His subject was, "The Bankruptcy Law and the Banker."

W. B. Cleveland, secretary of the Memphis association, is recovering from painful injuries resulting from a runaway accident. Mr. Cleveland's companion, Eugene Stansbury, escaped unhurt and was on hand when the horse was caught and sold him to the man who stopped him. Although it was Sunday, Mr. Stansbury sustained his reputation for "Making Him Pay," collecting his money on the spot.

A member secured recently by one of the affiliated branches in writing the National office for association literature says: "Our work stretches out over the States, Canada and Mexico, and we are always glad to get hold of anything worth while. The subjects outlined in the BULLETIN looked mighty good to us. We regret that we did not become acquainted at an earlier date."

The Grand Rapids Association of Credit Men has adopted a very definite method of bringing into the association non-member concerns. In the local monthly bulletin a list of houses whose applications the Membership Committee would approve is published. In this way attention is called especially to those outside the circle and this will suggest to every loyal member some special name for him to work on. Why should not other associations find this effective?

It is told of a local association member who was about to resign that one of the officers discovered he had not the least comprehension of the advantages of membership. The backslider was urged to try out one or two of these. He did so and then so caught the spirit of credit men in association that he is now an ardent worker to get new members. It was a case of heart conversion as against the earlier acceptance of the association possibly through pressure.

At the October 24th meeting of the Oklahoma City Credit Men's Association the election of officers for the year resulted as follows: O. A. Mitscher, of Miller-Mitscher Co., was made president; L. N. Farnam, of Ridenour-Baker Mercantile Co., vice-president; Geo. F. Dean, secretary, and James Chenoweth, treasurer. Steps were taken to arouse a greater interest among the wholesale dealers of the city in the work of the Credit Men's Association.

President H. C. Barbee, under whose enthusiastic leadership the Norfolk Association of Credit Men has made a remarkable record of accomplishments, has originated a plan for giving Norfolk a special business organizations' building, with spacious auditorium and attractive buffet and luncheon facilities. Another feature planned for the building is a Norfolk products exhibit, so that it will be possible for a visitor to get quickly an idea of the broad range of Norfolk manufactures. Mr. Barbee expects to be ready soon to lay fully matured plans before those various Norfolk organizations which ought to be interested in the project.

J. H. Scales, of the Belknap Hardware & Mfg. Co., of Louisville,

furnishes the following from an old customer who can really furnish excellent references:

"I am a widower and would like for you to locate me a  
nis widow or a brunet 25 to 45 years old. I am vary will  
situated at A———, ———. warth 15 to 20 thousand  
dollars.

"See around and lett me here from you on the subject.

"ANDREW D———."

Mr. Scales will gladly check the order if some one else will locate  
the goods.

L. H. Groesbeck, cashier of the Salt Springs National Bank and an  
enthusiastic member of the Syracuse Association of Credit Men was  
appointed by Governor Horace White, of New York, one of the seven  
delegates to represent the state of New York at the National Monetary  
Conference held November 11-12, 1910.

The many friends of Samuel S. Campbell in the National Associa-  
tion of Credit Men will all be glad to learn of his election to the office of  
vice-president of the Fourth National Bank of New York. Mr. Campbell  
has been long known and highly thought of in credit circles. His  
interest in the Association began while cashier of the Merchants National  
Bank when he represented his institution in the New York Credit Men's  
Association and the Night and Day Bank from the presidency of which  
he has just retired, has taken a consistent interest in everything pertaining  
to organized work for better credit conditions.

The Committee on Insurance of the New York Credit Men's  
Association are, in view of the drastic employers' liability law passed  
by the last legislature, advising that credit grantors ask all applicants  
for credit, especially if they are engaged in the building trade and  
factory lines, to answer the following:

(1) Do you carry legal liability insurance in a company  
or companies licensed to do business by the New York State  
Insurance Department?

(2) Do you carry compulsory liability insurance in a  
company or companies licensed to do business by the New  
York State Insurance Department?

It may be convenient for many members to know that the New  
Orleans Credit Men's Association is particularly well equipped to furnish  
reports on concerns located in New Orleans and the Parish of Orleans.  
The charge for doing so is nominal, but reports are made on the con-  
dition that the inquirer must furnish his experience in return. The  
association has an excellently well equipped adjustment department  
which also combines the investigation and prosecution of fraud interests  
of the association. Members everywhere are urged to use these  
excellent facilities giving the New Orleans Credit Men's Adjustment  
Bureau the trusteeship in all failure cases.

A party representing himself to be R. C. McCaffrey, pretending to  
be an officer of McCaffrey & Co., Peru, Indiana, wholesale grocers, called  
a fortnight ago upon one of our members in Pittsburgh, placed an order  
for a sample line of goods and on leaving requested that a draft for \$50  
be cashed. He was accommodated and a draft drawn on the First  
National Bank of Peru was offered. The bank returned it stating it had  
no such man on its books. It was quite evident the party had a knowledge

of the McCaffrey concern's methods. He was fifty years of age, weighed probably 200 pounds, wore a brown mustache, had brown eyes and was about 5 feet 8 inches in height.

The Buffalo Credit Men's Association announces that its interchange credit bureau has established for the benefit of bureau members an extension of the service with like bureaus of the Boston, Baltimore, Cincinnati, Youngstown, Louisville and San Diego Associations of Credit Men. All that is necessary for the Buffalo bureau members is to write, enclosing returned stamped envelope, to the bureau in the city nearest the party information is wanted about and he will receive the numbers of the subscribers there who sell the customer. With these numbers in hand the Buffalo member calls up his own bureau and secures the names of the subscribers represented by the numbers.

One of the Association's members who has just been caught in a fraudulent transfer case, has offered the novel suggestion that a custom should be established of having a picture of the responsible party of every business on the concern's letter heads, or if that were not practical that credit men start the system of requiring a man's picture as well as his financial statement and references. Our member says it is his belief that if a rule of exchanging pictures were established by the Credit Men's Association, members could ask for them in the name of the Association and not as individuals and the custom would then grow rapidly. In this way he believes the rogues would be marked men as is impossible merely through property statements and other present-day methods.

John Smith, hereafter described as *A*, sends a claim for collection to the Wide-Awake Collection Agency which we shall call *B*; *B* in turn forwards the item to Day & Night, lawyers, hereafter described as *C*; *C* collects the money and remits to *B* less two-thirds of 10 per cent. *B* accounts to *A* but deducts a fee many times greater than 10 per cent. *A* protests but fails to secure an explanation satisfactory to him, *B* claiming the right to a large fee on the ground of extraordinary services. Now understand, *B* simply acted as forwarder passing back and forth the papers connected with the case. *C* brought suit doing all the necessary work.

Query.—If any one was entitled to extra compensation, who *B*, or *C*?

An echo of the bankruptcy of Zindel Corenman, of New York, to which reference was made in the August number, has made itself so clearly heard that intending witnesses in bankruptcy proceedings should pause and take heed. Isaac Eisenberg, a paper dealer of the East side in New York City, was called as a witness in the proceedings by Joseph A. Arnold, counsel for the trustee. Evidently Eisenberg testified not wisely, for on October 20th he pleaded guilty to an indictment for perjury found against him by the federal grand jury, and was sentenced by Judge Hand to serve six months' imprisonment. Corenman, the bankrupt, received a sentence of ten months for fraudulent bankruptcy. The prosecution of these men was undertaken at the instance of the New York Paper and Paper Bag Protective Association.

The Portland Association of Credit Men has discontinued issuing its monthly bulletin, which is replaced with the secretary's general monthly letter, that of October 15th being the initial number. Report is that the interest aroused by this letter is vastly greater than that taken in the printed bulletin and that the new idea is to do much to strengthen the association with all members. Another matter determined upon by

the officers of the Portland association is, that during the present year every meeting will be devoted strictly to matters pertaining to credit man's interests and not to general topics entirely out of his sphere. This will throw added burdens upon committees which are to have their work more generally discussed by the entire membership than heretofore. President Underwood has appointed as committee chairmen, men who never before served upon committees.

The Syracuse Association of Credit Men, at its September meeting, discussed the following questions. Its members desire to have opinions thereon from members of the Association everywhere. They should be sent to the National office:

What amount of business per annum can a firm safely do on a given amount of capital, say \$10,000?

Through what class of banks can the best results be secured in making sight drafts covering over-due accounts?

How should ledger accounts be kept where the town, the post office and shipping point are different?

What percentage of dealer's net worth should constitute the limit in credit extended him from any one house?

How would you define a moral risk?

Not so frequently as in the past, yet even now we hear comparisons made between state insolvency systems and national bankruptcy methods in which it is attempted to show that the latter are more wasteful than the former. But a case has just been closed in Bridgeport, Conn., under a state receivership which does not give support to the theory that state methods are preferable to national. Here was a little estate whose total available assets were less than \$3,250 which made such remarkable disbursements as the following, under protest from the creditors:

Cash disbursed by receiver in conduct of business,	\$869.71
Receiver's fees,	660.00
Receiver's attorney's fees,	750.00

After all expenses were paid there was left \$451 to be distributed among creditors having claims of \$8,028.

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A newspaper item which has been going the rounds has carried a story of the alleged wrong doings of lawyers in connection with bankruptcy cases. There is little doubt as to the general correctness of this newspaper story. A brand of lawyers as obnoxious as the ambulance



chaser has developed in bankruptcy practice where he will continue to flourish just so long as his presence is tolerated by the judges and he is permitted to represent business interests. The article referred to, sums the situation up in these words:

In the meantime, fraudulent bankrupts are in jail, but none of the lawyers who have aided crooked merchants to defraud their creditors. A New York lawyer thus sums up the situation:

No bankrupt could have sufficient technical knowledge of the bankruptcy law and the criminal law successfully to carry through a fraudulent failure. He has to have the aid of a lawyer.

Let every member not only support the Association in its efforts to eliminate abuses in the administration of the bankruptcy act but also turn his attention to something just as important, the placing of bankruptcy law practice on the highest plane. This can be accomplished by using greater discretion in choosing attorneys.

The Hardware Dealers' Magazine recently called attention to the activity of the hardware men of the United States in credit men's circles as shown by the directory of officers of local Credit Men's Associations. The following names are given as illustrative of the point: George L. Irvine, of Carlon & Fulton, president of the Baltimore association; H. W. Coffin, of Moore & Handley Hdw. Co., head of the Birmingham association; William Q. Wales, of Brown-Wales Co., president of the Boston association; R. A. White, of American Steel & Wire Co., president of the Chicago association; H. J. Thomas, of Geo. Tritch Hardware Co., secretary of the Denver association; A. J. Gaehr, of Geo. Worthington Co., president of the Cleveland association; A. J. Betten, of Brown-Camp Hardware Co., secretary of the Des Moines association; Nelson A. Burdick, of Hall-Robertson Hardware Co., president of the Fargo association; J. B. Adoue, of Adoue-Blaine Hardware Co., president of the Houston association; E. G. Evans, of Henkle & Joyce Hardware Co., secretary of the Lincoln association; E. M. Underwood, of Failing-McCausland Co., president of the Portland association, and Guy Truex, of Morton-Simmons Hardware Co., president of the Wichita association.

In outlining the plans and purposes of the new College of Economics of Marquette University before a meeting of the Milwaukee Association of Credit Men held recently, Dean W. C. Webster explained the meaning of so many institutions of higher learning giving business education so prominent a place in their curriculums. He said: "The educational methods of all times have been vitally effected by fundamental social and economic conditions, and each civilization has developed an educational system adapted to these conditions. From this we may infer that the prime object of the school has always been to fit the student for his environment, and this fundamental fact explains the recent tendency towards special university training for business. The overwhelming majority of college graduates to-day enter business, and they must be specially trained, or sink back into an educated proletariat. The complexity of modern business demands a special training as a condition of success. The apprentice will no longer suffice. Furthermore, special university training tends to elevate business to the rank of the professions. Lastly, but by no means least, special university training for business enables young men to learn their own natural aptitudes and choose their future vocations much more intelligently."



The Credit Man's Diary for 1911 is now in course of preparation. It will contain a wealth of material which every credit grantor ought to be able to refer to with the utmost ease and promptness in his daily work.

The volume will contain synopses of chattel mortgage, exemption and garnishee, mechanics' lien, fictitious names, interest, limitations and bulk sales laws for all states, also the laws relating to the joint ownership of property, legal status of married women, executors' and administrators' rights and functions, conditional sales contracts, etc. The national bankruptcy law, thoroughly indexed, will be presented, a list of referees in bankruptcy, etc.

Among other matters treated in the Diary are *peculiarities in the laws of the various states which have proved serious obstacles to collecting debts. They are the sort of facts that the well informed credit man has to know to save himself from being caught though he has taken all ordinary precautions.*

Strictly from the Association, you might say, the professional standpoint, every credit worker should have this volume at hand during every day of 1911, for it is a tool made especially for him, it emphasizes his special sphere of activity and responsibility in his house and it contains suggestive, inspiring and instructive messages that are sure to help him keep out of a rut, the ever-present danger with credit men. Therefore for the good of the credit man individually and of his profession as well, members very generally should possess the Credit Man's Diary for 1911.

But one edition will be issued and it is therefore advisable to order without delay. Price is \$2.00 delivered. Address the Association, 41 Park Row, New York, N. Y.

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### Progress In Fire Marshal Matters.

At the last two annual conventions of the National Association of Credit Men the committees on Fire Insurance urged that the Association draw up in conjunction with such other forces as might be interested in the subject, a model fire marshal law and undertake to have a uniform law adopted in all states.

At a meeting of the executive committee of the National Fire Protection Association, held since the New Orleans convention, it was decided that that organization, the National Association of Credit Men and the National Board of Fire Underwriters ought to unite on a fire marshal law under which an inquiry should be held after every blaze, the law to give the marshal much the same power as the coroner has in making his inquest, that is, to empanel a jury, to subpoena witnesses and to hold inquiry.

In referring to this plan, Secretary Wentworth, of the Fire Protection Association, said that besides being an aid in the apprehension of persons guilty of arson, the marshal's hearings would be of great educational benefit to the public. That he said had been the experience in European countries where the fire inquiries had been productive of much good.

This movement deserves and ought to get every members support when plans are perfected. With three powerful organizations hammering in one direction there can be no question that progress will be made.

## Kansas City Meeting of the Board of Directors.

The annual fall meeting of the board of directors of the National Association of Credit Men was held October 19 and 20, 1910, at Hotel Baltimore, Kansas City, Missouri. On the roll call it was found that all members of the board were present with the exception of W. L. Fox, of Buffalo, Howard Marshall, of New York, George E. Melius, of Bridgeport, Connecticut, and J. W. Spangler, of Seattle, each of whom were absent because of illness or the insistent demands of their business.

The first order of business before the board was to fix the time and place of the annual convention for 1911. This task was made difficult because there had been filed with the secretary invitations most cordial and urgent from several local association cities. Toledo, Oklahoma City, Minneapolis, Detroit and also the city of Chattanooga each set forth its claims as the logical point of the sixteenth annual convention. The board finally decided unanimously upon Minneapolis as the place, and the week commencing June thirteenth as the time of the next convention.

President McAdow laid before the board for its approval a list showing the proposed membership of standing and special committees for the year 1910-1911. The president's appointments were approved and the committees will have at their head as chairmen for 1910-1911 the following:

*Legislative.*—Guy P. Miller, Bridgeport Brass Co., Bridgeport, Conn.

*Membership.*—H. B. Buell, Syracuse Dry Goods Co., Syracuse, N. Y.

*Bankruptcy Law.*—Chas. D. Joyce, A. Colburn Co., Philadelphia, Pa.

*Adjustment Bureau.*—S. J. Whitlock, Belding Bros. & Co., Chicago,

### Ill.

*Credit Department Methods.*—E. M. Underwood, Failing-McCalman Co., Portland, Ore.

*Mercantile Agency.*—C. C. Robertson, Woodward & Tiernan Ptg. Co., St. Louis, Mo.

*Credit Co-operation.*—W. B. Cleveland, Austin Clothing Co., Memphis, Tenn.

*Business Literature.*—Frederic P. Crane, Whitehead & Hoag Company, Newark, N. J.

*Investigation and Prosecution.*—D. L. Sawyer, F. Mayer Boot and Shoe Co., Milwaukee, Wis.

*Fire Insurance.*—J. Hunter Orr, Orr, Jackson & Co., Nashville, Tenn.

*Banking and Currency.*—J. E. O'Neil, Richards & Conover Hdw. Co., Oklahoma City, Okla.

*Federal Incorporation Law.*—F. G. King, The Youngstown Dry Goods Co., Youngstown, Ohio.

*Special Committee on Uniform Exemption Laws.*—S. G. Rosson, Baltimore Bargain House, Baltimore, Md.

The board then reviewed the large amount of work to be taken up under committee direction during the coming year. Most important of all was the task of installing a national prosecution bureau. A few weeks before the board convened a test vote of the entire membership had been taken the result being that so considerable



MINNEAPOLIS MEETS A FEW OF NATION'S CREDIT MEN, BY THEM SHE SENDS GREETINGS TO THE ENTIRE ASSOCIATION  
AND SAYS SHE HOPES TO SEE THEM ALL IN JUNE.  
(*Minneapolis Journal.*)

sentiment was shown in favor of establishing a national bureau for the prosecution of commercial fraud that the board felt that it was incumbent upon them to proceed with the plan. Consequently it was decided to authorize and direct the Investigation and Prosecution Committee of the Association to draft a plan presenting in complete detail methods of operation, determine what expenses would be involved in conducting a bureau, what backing could be expected and submit the results of their studies to the next annual convention. In order to secure for their general plans as broad consideration as possible it was decided to ask the committee to bring before the local associations the results of their investigation in order that the entire association should be fully informed upon the bureau plans before the committee's report is discussed in convention. Further in order to bring the board in close touch with the progress of the committee's work, three directors, Lee M. Hutchins, F. R. Salisbury and Oscar Loeffler were appointed a special committee to assist in formulating the plans.

The minutes of the board meetings were not received in time to make a more detailed statement of the work of the directors for this issue of the BULLETIN. A more detailed account of business transacted will be presented in the December BULLETIN.

Both on the way to Kansas City and on the return trip, several of the officers and directors were given the opportunity to meet the credit men of several cities of the middle west who arranged special meetings for this purpose. Everywhere the representatives of the National Association were given a hearty welcome and a royal good time. They found the local associations in general doing excellent work and in many cases were able to direct attention to lines of work which if taken up would give still greater power to the local organizations. The opportunity given the directors by the board meeting to make these visits is recognized as one of the most important things connected with these annual directors' gatherings.

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#### Going After a Preference with a Six Shooter.

That a referee gets a chance to smile even when things look serious is evidenced by the following, received by Referee Coles, of St. Louis, from a "collector" in Nebraska.

".....Neb., .....1910.  
".....has put a account of \$280.00 in my hands for collection against .....and company now ho is this company. now this wool was consined to ..... and co. now did .....get this wool or wher did it go to.  
".....was the company that i intended to have my wool now would you be so kind as to explain this matter to me. we received a card sometime ago from you that this claim went in your hands, to the best knoledge what percent do you think you can pay on this claim. now we are going to collect every dollar of this account bankruptcy dont go with ous out here in the west of corse we colect all we can in a sivel way after that we collect with a six shooter so after you pay what you can then we will go after..... and he will be glad to pay it when i come to st. Louis.

"write me in return mail,

Yours truley,"

## The Cheapness of Credit in this Country Makes the Credit Man's Task Difficult.

George H. Williams, vice-president of the New York Credit Men's Association, in a recent address before that body threw a new thought into the problems of credit granting or at least expressed old thoughts in a very new way. After speaking of the great growth of the nation's commerce, built as it has been, upon the offerings of a bountiful nature he showed that our buoyancy had led us to become too free with the credit extensions. He said:

"The liberal credit system practiced here has been principally responsible for our great growth, but the thing has been overdone; the liberal extension of credit is bad enough, but, the freedom with which it is sought is astounding. The best evidence of the difficulty met on the road to real success in business is the comparatively small percentage of business men who can be truthfully and justly called successful. The same may be said of those in other walks in life, the various professions produce few really successful men and I contend that the same attributes are present in the man who is truly successful as a lawyer, doctor, explorer, etc., that we find in the commercially successful man, therefore it seems to be up to us, as members of this powerful association not only to cultivate those qualities in ourselves, but see that they are developed a little more fittingly in the men to whom we hand our good money or the still better money of our employers. We should discriminate more closely as to the moral standing, the ability, and financial strength of those to whom we are far too eager to give credit. We have heard a great deal of discussion of late as to the excessive cost of living, which I believe is largely due to the appalling cheapness of credit. I say appalling cheapness because I can think of no stronger term at the moment. This great and glorious land of ours is just able to take solid food and show some signs of slowly returning health, after passing through a most terrible siege of illness, superinduced by cheap credit, careless business methods, practiced by the largest as well as the smallest business institutions, and we called the abnormal, inflated, fictitious condition we were in three years ago Prosperity—that sort of prosperity was nearly our undoing and were it not for the heroic treatment administered by the wise, sagacious head of our great national corporation, we would be on a diet for the next generation.

"Even although an adjustment of our monetary, political and commercial systems may be effected credit will continue to be dispensed just as freely and this prompts the question, what are we to do?

"One long step toward a solution of these problems would be to impress upon the debtor the advisability of coming to us, or going to his creditors, in adversity as well as prosperity. We have been his friends, are his friends, and will continue to be his friends; we have contributed to his capital in the form of credit; we have been partners of his to the extent of credit granted, silent partners, to be sure, far too silent entirely except at the inquest, so why should he not come direct to us when he finds himself going with the tides, not able to handle his business. For the moment he becomes incapable, then, more than at any other time, the business requires our attention, in fact belongs to us.

"We spend thousands and thousands of dollars, yes hundreds of thousands to maintain our credit departments. Information tending to give some light on the various cases, is secured from the four quarters of the earth, we leave no stone unturned to justify the extension of credit to our various customers; we watch carefully the development and decay



of each case and yet when the time comes for us to show our metal, to do real work and save our bacon; when the poor debtor proves himself incapable, incompetent, admits his inability and insolvency, then we poor gullible, deluded creditors turn the business over to the bankruptcy court to handle, to liquidate, to dispose of, to waste through lack of experience and ability, then I say, when the business should receive more of our attention than at any other stage of the game, we make out statements and hand our account, our claims, our interests body and soul to the vultures of the bankruptcy administration, over which they hover until the last morsel is gone and then comes the notice which is so familiar to all of us—'The first and final dividend will be declared, if there be any funds' remaining after the very liberal lists of disbursement has been paid.

"How much do you suppose the average dividend in bankruptcy has been; have you seriously thought of that material point? My firm has created to the suspense account not over 17 1-3 per cent.—Is that enough? The law is, no doubt, just and equitable but the administration is bad—the professional receiver, almost invariably, appointed to administer insolvent estates, is not a business man, has had no training in that direction and I am forced to believe, from observation and experience, has little interest beyond his fee, which thanks to the recent amendments to the act have been cut to half as much as they formerly were. Our worthy friend and eminent legal light of the bankruptcy law practice in this district recently stated in his speech before the Commercial Law League at Narragansett Pier—that capable receivers cannot be found who will serve under the reduced fees. I would like to state that such is not the case and furthermore that in my opinion the fees would never have been reduced had the receivers in bankruptcy heretofore, shown themselves capable and given proper results. I cite with pride to a recent receivership where under adverse conditions, a broken, ill assorted, antiquated stock of dress goods, notions, hosiery, etc., was converted into a dividend for the creditors of nearly 60 per cent. in less than 90 days, whereas the usual first and final dividend of 3¾ per cent., has come along in about twenty-four months, or after we have forgotten the claim.

"I am an enthusiastic rooter for the debtor. I believe in him. Even after over twenty years in this walk of life, during which time I have been deceived, deliberately lied to; the victim of false statements and had my pockets picked by debtors, yet I firmly believe that 98 per cent. of the men who are unsuccessful in business are honest—honest I say—when the tide begins to go against them, honest, hoping against hope during all the time in which their assets are dropping below the solvent point to 96 per cent., 90 per cent., 85 per cent., 80 per cent. and so on down until their poor buffeted business craft is hopelessly in the Niagara of commercial failure—then, and not until then, does the man who has given up five, ten, fifteen years of his life to building up a business, take advantage of the first law of life self preservation, then, for the sake of family or other reasons he commits irregularities.

"Now I have a very simple horse sense business proposition, which I have worked personally and jointly with other credit men most successfully of late. If you were sitting in your library at home with your family about you, and you or some member of your household detected a strong or even a faint odor of smoke, would you take the precaution to investigate—or would you settle back in your easy chair and wait until the flames burst into the room or the clang of the fire engine wakes you. I contend that we—all of us—are in possession of sufficient information

nineteen times out of twenty to warrant our going to a debtor, first in his interest and secondly, in our own, and verifying or proving to the contrary any well defined rumor which may sooner or later be the cause of failure. Why should we sit passively in our office and wait for the official announcement of a failure, either through the agency or a lawyer's invitation to a creditor's meeting, when we have known of the debtor's precarious condition for weeks perhaps. Merely judging from my experience during the past few months, I am convinced that more than 50 per cent. of the concerns that go into bankruptcy could be saved and made successful merchants and good citizens by co-operation with the creditors when matters begin to look bad. To save and not destroy, to make and not break, to use the information we have to keep the debtor out of bankruptcy, rather than for the purpose of filing a petition against him, should be our aim."

### COLLECTIONS AND HOW TO HANDLE THEM.

BY D. W. POMEROY, RICE & HUTCHINS, ST. LOUIS SHOE COMPANY,  
ST. LOUIS, MISSOURI.

*(At the last annual convention of the National Association of Credit Men, this article was given honorable mention for the general excellence of the treatment of this topic.)*

It goes without saying that only general rules regarding the proper handling of collections can be given in a brief essay, that there are myriads of circumstances to be taken into account, that the successful collector must be keenly alive to the fact that never was it more necessary than now, that he be well poised, use good judgment, energy and perseverance.

First and foremost, I would say—treat each and all as your best customers. Be punctual, firm, courteous, dignified and just to all. Send statements at once on the maturity of accounts. Send appropriate acknowledgments on receipt of remittances. I think this mark of courtesy more than pays for the cost and time involved, although many, I find, are giving up the custom.

To parties not responding to the statement, send second statements, containing notice that drafts will be made on a certain day, if remittance by that time is not at hand. If still there is no response by the time specified, then drafts are to be made and forwarded for collection for a part or the whole amount, as seems best.

Where extensions are asked, usually try to obtain a good part payment by return mail with the promise of extending the balance. In many cases ask for a short note with interest. The party asking favors is more likely to do at that time what you request than at some other time, and having a note you are less likely to be bothered at maturity about further time or claims for deductions.

The collector's first duty is to collect the whole amount at maturity or as soon thereafter as practical. The second duty is in so doing to preserve the customer's good will. It is often very hard to obtain good customers—sometimes it requires years and in a single letter or word a collector may shatter all the salesman's efforts.

The collector as well as the credit man, should aim to know the customer thoroughly, his likes and dislikes, and should in his proper way appreciate a customer's favors and make it plain that he is anxious to please. At the same time he should so conduct himself that the customer sees in his conduct thorough and absolute loyalty to his house.

Firmly believing as I do that a large majority of men are honest and disposed to do right, I advise much caution and courtesy coupled with firmness, believing that then, men are more apt to try to meet your views, less likely to ask unreasonable favors. I feel quite certain that you are more likely to produce good results by means persuasive than by attempts to compel.

In a large business there will be many accounts which require much sterner measures than I have outlined and here, no less than with the better grade of accounts great discretion is required. In many cases I have had very good results by depositing a draft with my regular deposit which will be protested if not paid. By using proper judgment it is rare that I am out the protest fees. In many cases drafts forwarded to banks with instructions to turn over to attorneys on refusal to pay, the customers being so notified, produce excellent results. It is evident that in the last named case I am willing the claim should go to attorney for decisive action if not paid, though these are strong measures.

I make but little use of the various styles of collection blanks intended to deceive to the extent of purporting to be sent by some third party, but in reality are sent by the creditor himself. My experience does not warrant their use except in cases where the account is held in light esteem. I feel the dignity of the house is lowered in using them.

Occasionally defective remittances are received and in some cases evidently for purpose of killing time, we get communications purporting to enclose checks, checks made out wrongly, checks not signed, checks or drafts to remitter's order not endorsed.

In such as the first or the last cases I make a draft for the amount specified, pin the same to the letter and deposit them in the regular account and notify the debtor why draft is made.

In the second case, I write on the back over our signature, "Amount guaranteed," mentioning the correct amount, attach letter and deposit.

In the third case, I write over our signature, "Within amount guaranteed," attach the letter thereto and deposit.

In the fourth case, I examine the letter carefully and if it shows that the draft was endorsed to us for credit, I supply the endorsement by myself, as agent, deposit same, retaining letter as my authority for so doing.

I have had many defective remittances as above and with a single exception all have been paid and never a single complaint from any source by reason thereof has come to me.

Referring again to the fourth case, while I hesitate to advise the procedure named, lest I may be misunderstood, I want to say that I do not hesitate to avail myself of its advantages, having obtained advice of the best counsel that under the conditions stated, authority is clearly given.

The immediate cause of my thorough investigation of this last point was the sending back of a seven hundred dollar draft for endorsement, with an additional bill of goods ordered with draft. The draft never came back and we realized 10 per cent. on the total amount owing. As the draft was good, as it was sent to apply on account, as it was right to credit it inasmuch as we clearly could have compelled payment by suit, I see no reason why we should not supply the endorsement, guarantee same and deposit the draft.

Be politic, but be ready at all times to take decisive measures when required. Do not hesitate to seize goods on writ of replevin or attachment in proper cases where goods were obtained by manifest fraud.

In compromise settlements in insolvencies, usually it is better to accept a genuine offer at all within reason.

Our aspiration should be in all cases, without exception, to seek to obtain a settlement as soon as practical after the maturity of the account. Delays are dangerous.

## METHODS FOR OPENING A NEW ACCOUNT BY THE CREDIT DEPARTMENT.

BY LEON JOSEPH, WILMERDING-LOEWE COMPANY, SAN FRANCISCO, CAL.

*(At the last annual convention of the National Association of Credit Men, this article was given honorable mention for the general excellence of the treatment of this topic.)*

Opening a new account by the credit man is like an introduction to a new friend. You look him over—try to pick out the good and bad qualities—take note of his features, his clothes. You want to be friendly to him for your friend's sake, but you want him to possess some qualifications that will appeal to you personally when your mutual friend is not present. In addition to all this it is of great importance as to who is doing the introducing.

Very similar is the acquisition of a new account by a mercantile concern. The addition may be made by the traveling man or advertising may do it; the credit man wants to get the customer for the benefit of the house, but he must possess some qualities that will justify him in asking for credit from the house. Once the credit man and traveling man become so familiar with an account as to know its true worth without reference to any commercial agency rating, it passes out of the *new* division, but up to that time what means has the credit man for probing?

That an account is opened at all shows successful selling either by the salesman or through advertising. But long before a sale is made the credit man in connection with the sales department can map out a course of action like a good general in order to be ready to act immediately upon any new orders that may come in. To pursue these methods means the listing of those merchants in a town or city to whom the house is not selling but who would be desirable as customers. For this purpose comes step one for the credit man, consisting of a card ruled and filled out as follows:

### LIST OF DESIRABLE MERCHANTS NOT CUSTOMERS AT THE PRESENT TIME.

OSKEWONA, KANSAS.

Banking Town, Population 1,500.

Names of Merchants	Street No. If any	RATINGS			Agency Reports	Salesman's Reports
		R. G. Dun	Bradstreet's	Special		

and, at end of the month, those sold to are listed as follows:

BOOKKEEPER'S LIST OF NEW ACCOUNTS OPENED MONTH OF FEBRUARY, 1910.					
OSKEWONA, KANSAS.					
Banking Town, Population 1,500.					
Names of Customers	Amount of Invoice	Date	Terms	Sold By	Remarks

• This information is a transcript of the traveling man's "Report on Possible Customers" as per the following form:

TRAVELER'S REPORT BLANK ON POSSIBLE CUSTOMERS. Oskewona, Kansas, February 10, 1910.	
The Universal Saddlery Supply Co., Beaumont, Texas.	
Gentlemen: I have called on the following merchants in this town to whom I have <i>not</i> sold:	
Force Jones Saddlery Co.....	Been in business about five years. Three partners, F. B. Force, S. B. Force and Frank Jones, not incorporated. Stock of about \$5,000. Do a fair business and seem to be gaining against the Montana Saddlery House, whom we sell. Have a good reputation. Think I will be able to sell them next trip when some of their present contracts expire. Rent their premises.
Wilbur's General Merchandise .....	Do not seem able to sell them on account of trouble they had with the house some years ago.
Franklin Chase .....	Harness repairs. Good for small bill. Will sell him on next trip. Small account but considered good for all he buys.
M. H. Patterson.....	New. Not known here. Formerly at Emporia, where he worked for Peter Browley. Seems to be a hustler.

Thus giving all the details the traveling man can learn about those merchants he has so far called on without success. Thus the credit man is furnished with a valuable store of facts concerning prospective cus-



tomers. When the traveling man sells a new customer, he makes out the following for the credit man's use:

REPORT BY SALESMAN                      WHEN OPENING NEW ACCOUNT.

Name .....  
Location .....  
Street .....  
How long in town? .....  
How long in present business?.....  
Are premises leased?.....  
What period? .....  
Are terms of lease favorable?.....  
Any mortgages? .....  
Approximate stock .....  
Insurance carried .....  
Ever failed? .....  
To whom can he refer?.....  
How is business conducted? .....  
Is store appearance good? .....  
Do you know the party personally?.....  
What do you hear of party?.....  
Remarks .....  
.....  
.....

Salesmen please answer questions to best of their knowledge when they are not possessed of definite facts and figures.

So much for the planned beforehand way.

Personal reports by the traveling man must of necessity serve in lieu of the credit man's personal call, which is obviously impossible. Take these reports in connection with the ratings in R. G. Dun's and Bradstreet's, and the agency reports from these same sources, in addition to which various groups of jobbers and wholesalers have their own class ratings and the credit man is now in a position to go ahead and handle the new account as the order comes in, with the aforesaid defensive and protective weapons at hand.

All new accounts being handed to the credit man, he impresses this rubber stamp upon them:

RUBBER STAMP PLACED ON ALL ORDERS.  
NEW ACCOUNTS.

Salesman .....  
Amount of order .....  
R. G. Dun .....  
Bradstreet's .....  
Agency report .....  
Salesman's report .....  
Limit this account to \$.....

The lines are filled in with the information at hand. Reports and ratings being satisfactory, the order is filled, and a letter accompanies the invoice expressing the hope that the shipment will be a satisfactory and productive one. If the ratings and salesman's report are not satisfactory a special agency report is sent for and compared with salesman's report. This should put the credit man in possession of all the necessary

facts that go to make or unmake an account. In the event of unconvincing reports the credit man writes to new customers as follows:

LETTER ASKING FOR REFERENCES.

Beaumont, Texas, February 20, 1910.

Mr. M. H. Patterson,  
Oskewona, Kansas.

DEAR SIR: We are in receipt of an order from you through our representative, Mr. Harry Johnson.

As your name does not appear in any of the commercial agency books, we would ask you to give us names of merchants with whom you have dealt or are dealing, for reference purposes.

Awaiting a prompt reply and assuring you that we will take great pleasure in shipping the order should the references be satisfactory, we are,

Respectfully yours,  
UNIVERSAL SADDLERY CO.

and upon this reply, the following form letter is mailed to the firms given as references:

REFERENCE LETTER.

February 20, 1910.

Messrs. Woolworth & Co.,  
Peoria, Ill.

GENTLEMEN: Mr. M. H. Patterson, of Oskewona, Kansas, desires to open an account with us and refers to you.

His opening bill is approximately \$..... We will appreciate your kindness in filling out and returning the attached blank.

Thanking you in advance and assuring you of our willingness to reciprocate, we remain,

Yours respectfully,

REPLY OF WOOLWORTH & CO. REFERRED TO BY M. H. PATTERSON,  
OSKEWONA, KANSAS.

Amount due at present .....  
Amount overdue, if any .....  
How long has party dealt with you?.....  
Has his manner of doing business been satisfactory?.....  
Do you consider him entitled to a credit of \$200?.....

After receipt of all this information the credit man can then place a credit limit on the account, it being the duty of the accounting department to keep him informed whenever the account approaches the mark.

With the foregoing methods I have outlined, a credit man can protect himself from all the usual business ailments. Against dishonesty and frauds, no book ratings or knowledge can prevail. But in addition to that same book knowledge, the credit man must be thoroughly posted on all that goes on about him. A good harvest, a good mining strike may mean the acquisition of many new accounts that are worth having, reports or no reports and adverse conditions such as strikes, floods or crop failures

may be good grounds for turning down orders even though ratings are good. Some good luck, always ceaseless watching, and some bad luck is about the credit man's whirligig.

## THE NATION'S FIRE WASTE EVERY MAN'S PROBLEM.

PAPER PRESENTED BY A SPECIAL COMMITTEE OF THE NATIONAL BOARD  
OF FIRE UNDERWRITERS TO THE ST. PAUL NATIONAL  
CONSERVATION CONGRESS.

Since the commencement of the conservation movement the National Board of Fire Underwriters has been deeply interested in the governmental and associational activities aiming to foster and protect the natural resources with which our country has been so bountifully blessed. Our representation at the Washington conference of 1908 indicated our sympathy with the propositions presented and the continuance of our conservation committee is a manifestation that we have been and are ready to co-operate in a furtherance of those principles which you as an association stand pledged to advance. We believe that unless there is an intelligent development and utilization of our natural resources, the comfort, prosperity and happiness of future generations will be seriously impaired, and we are in hearty accord with all legislation having for its object the preservation from destruction of nature's gifts and man's handiwork.

The address which this committee presented to the joint conservation conference sought to set forth some very important facts concerning the excessive fire waste which persists in the United States and suggested remedial measures, which we still believe, if adopted, would materially diminish the grievous loss of life and the tremendous and unnecessary destruction of created values by fire. We therefore beg to reaffirm those suggestions at this time as follows:

The present fire waste in this country is an unnecessary national calamity and to reduce it it is essential

*First.*—That the public should be brought to understand that property destroyed by fire is gone forever and is not replaced by the distribution of insurance which is a tax collected for the purpose.

*Second.*—That the states severally adopt and enforce a building code which shall require a high type of safe construction, essentially following the code of the National Board of Fire Underwriters.

*Third.*—That municipalities adopt ordinances governing the use and keeping of explosives, especially inflammable commodities and other special hazards, such as electric wiring, the storing of refuse, waste, packing material, etc., in buildings, yards or area ways, and see to the enforcement of such ordinances.

*Fourth.*—That the states severally establish and support the office of fire marshal and confer on the fire marshal by law the right to examine under oath and enter premises and to make arrests, making it the duty of such officer to examine into the cause and origin of all fires and when crime has been committed requiring the facts to be submitted to the grand jury or proper indicting body.

*Fifth.*—That in all cities there be a paid, well disciplined, non-political fire department adequately equipped with modern apparatus.

*Sixth.*—That an adequate water system with proper distribution and pressure be installed and maintained. In the larger cities a separate

high-pressure water system for fire extinguishment is an absolute necessity to diminish the extreme imminence of general conflagrations.

The publication by the United States Geological Survey of Bulletin 418, known as "The Fire Tax and Waste of Structural Materials in the United States," is worthy of high commendation, and we believe a wider distribution of this pamphlet and the preparation and dissemination annually of similar information will materially serve to awaken the public to a realization of the enormous values in utilized resources which are destroyed by fire beyond recall and cause action to be taken by states, municipalities and individuals to enact such laws and regulations as will make for the exercise of greater care and forethought in the preservation of materials produced from our natural resources. It must be evident that the conservation of our forests and mines will fail of its full results if the utilized products therefrom are to continue to be unnecessarily destroyed by fire to a degree that is a national disgrace.

We share the pride of all our fellow citizens in the remarkable growth and prosperity of this country, in the extensive building operations and in the increased commercial values, but, if we would conserve those natural resources which have been the principal foundations of our success, we submit that it is equally important to adopt and enforce such measures as will lessen the steadily and rapidly increasing fire waste of our utilized resources.

The National Board of Fire Underwriters has for years devoted its energies and activities principally to the reduction of the fire waste and the safeguarding of life and property. Standard rules and lists of hazardous and protective devices and materials are distributed free of charge, the results of the tests conducted at the underwriters' laboratories are made known to any one evincing an interest, a model building code, prepared under the advice of experts in construction and engineering, has been urged for adoption in every municipality of the country, and as a result our advice and co-operation is sought in the revision and adoption of the building laws of our cities. Under the immediate direction of our committee on fire prevention, expert engineers investigate the fire-fighting facilities and structural conditions of our cities, submitting copies of the reports, with suggestions for improvements, to the officials of the city visited and the press; the expense of the work of this committee alone, for the last six years, has amounted to \$432,742.

We have persistently endeavored to influence the introduction of improved and safe methods of building construction, to encourage the adoption of better fire protective measures, to secure efficient organization and equipment of fire departments, with adequate and improved water systems, and to have adopted rules regulating the storage and handling of explosives and inflammable products; and we contend that successful efforts along these lines will very largely lessen the fire waste of the utilized resources, the destruction of which at the rate of over \$216,000,000 annually (1900-1909, inclusive) is one of the greatest drains upon our natural resources and one which can be corrected, if the nation, state, city and citizen will co-operate along the lines indicated above.

The destruction of our utilized resources by fire is increasing at such a rapid rate that the subject of its reduction should be very prominent in the minds of the people. Losses recorded for the past thirty-five years, not including forests, mine or marine fires, total the enormous sum of \$4,906,619,240. Unrecorded losses, if obtainable, would materially increase these figures. These annual fire losses run from \$64,000,000 in 1876 to \$518,000,000 in 1906. In 1907, a normal year,



our recorded losses were \$215,084,709, and our estimated fire defense cost \$241,401,191, or a total amount equalizing about 50 per cent. of the value of the new buildings erected that year in the entire country. In 1908, also a normal year, our ash heap cost \$217,885,850 and the relations of defense cost and fire loss to new buildings remained about the same. Our contributions to fire that year were over one and one-fourth million dollars each day of the year, a sum equal to the operating expenses of our government, including those of our army and navy, for the same year; and in 1909 we gave to fire over \$25,000,000 more than was spent in that year for the same governmental functions.

No one organization can effect the needed reform. Since 1880 the population has increased 73 per cent., while the fire loss for the same period increased 134 per cent. The National Fire Protection Association and the National Credit Men's Association are spreading the doctrine of reform in the recklessness with which our utilized resources are destroyed by fire. Each organization should be encouraged. Membership in the former is open to all and in the latter to the business men and merchants of our cities.

The work, however, is carried on without state or municipal co-operation and therein lies the chief reason of delayed success.

If the office of State Fire Marshal were created by every commonwealth, and that official and his deputies given power to enforce good fire prevention laws, investigate, and, if necessary, prosecute cases of arson or criminal carelessness in the starting or spreading of fires, ascertain the cause of every fire, and by the distribution of literature educate the citizen to the need of care and forethought in the protection of his property, a distinct conserving of the utilized resources in that state would follow.

If our municipalities will enact and enforce improved and safe methods of building construction and cause the removal or reconstruction of existing structures which constitute, because of their construction, a menace to adjoining properties, our cities will be freer from the imminent conflagration which now threatens them. Eliminate defective chimney flues, unprotected external and internal openings, excessive areas, weak walls, and combustible roofs; prohibit the storage of rubbish and demand the safe use and handling of dangerously inflammable liquids and oils; regulate the use of explosives; and the destruction of our values, created from the natural resources but enriched many fold by human toil, industry and skill, will be materially diminished.

If the citizens of a community, as members of their local civic bodies and boards of trade, will create in such organizations a committee of fire prevention, whose duty it shall be to study the subject and awaken among their associates a realization of individual and communal responsibility, and if our boards of education will emulate the action of the state of Ohio in prescribing primal education of the school children as to the chemistry of fire, the causes of fires in our homes and how to guard against them, and how to extinguish incipient fires or hold them in check while awaiting the response of the fire department, a preparation will be made in that community which will check the constantly increasing fire waste.

And so while this conference discusses and formulates policies for the conservation of our natural resources, it should, at least, as representing the official, professional, commercial and industrial life of the nation, distinctly and emphatically advocate such regulation as will preserve those resources which are the embodiment of the thrift and industry



of our people—the utilized resources—from unnecessary and wasteful destruction by fire.

PER CAPITA FIRE LOSSES FOR 1907 IN THE UNITED STATES.  
(United States Geological Survey.)

Geographic Division—	Fire Loss Per Capita.
North Atlantic—Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania .....	\$2 50
South Atlantic—Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida .....	2 19
North Central—Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas .....	2 37
South Central—Kentucky, Tennessee, Alabama, Mississippi, Louisiana, Texas, Oklahoma, Arkansas.....	3 66
Western—Montana, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Idaho, Washington, Oregon, California .....	2 65

FIRE LOSSES IN SIX EUROPEAN COUNTRIES.

Country—	Years.	Annual Average.	Popula- tion, 1901.	Loss Per Cap.
Austria .....	1898-1902	\$7,601,389	26,150,597	\$0 29
Denmark .....	1901	660,924	2,588,919	26
France .....	1900-1904	11,699,275	38,595,500	30
Germany .....	1902	27,655,600	56,367,178	49
Italy .....	1901-1904	4,112,725	32,449,754	12
Switzerland .....	1901-1903	999,364	3,325,023	30

Average loss per capita, 33 cents.

**A Trustee's Desperate Fight to do His Whole Duty toward a Bankrupt Estate, Reads Like Bunyan's "Pilgrim's Progress."**

In the year 1908 Morris Berman was doing a general store business in a small Georgia town. In the last days of December, of that year, he filed a voluntary petition in bankruptcy. This petition set out that he had a stock of goods valued at \$3,000, household and kitchen furniture valued at \$150 and liabilities of \$7,461.

He asked for a homestead of \$1,600, that the household furniture be allotted him and \$1,450 be paid him in cash from the sale of the goods. The goods sold for \$1,580.

H. G. Smith, an attorney of Blakely, Georgia, was duly appointed trustee in bankruptcy, the merchandise was turned over to him; Mr. Berman declined to open his safe when the trustee took possession, but afterwards did open it under the direction of his attorney, which gave the trustee possession of all books and papers. His purchases for the fall trade had amounted to \$7,461, beginning in May, and ending in November, and not one single cent had been paid on the purchase price of anything to anybody and the goods had been sold.

Balancing his books by his inventory of January, 1908, and balancing them at the time he went into bankruptcy (December, 1908) after

Christmas, there was a discrepancy unaccounted for of \$5,875. Matters "rocked along" in this condition until March, 1909.

On the 20th of March, the trustee was advised that Berman was packing up his household and kitchen furniture preparing to move to Birmingham, Ala. The trustee thereupon notified the Hon. B. F. Castellow, referee in bankruptcy, and asked for instructions and particularly if it was, or was not, his duty as trustee to stop this movement. Referee Castellow answered that it was. Whereupon, the trustee secured the assistance of two young men and went to the Berman home. Mrs. Berman responded and was told the mission of her callers and that it was hoped they might execute their duty in as pleasant a manner as possible. She then put in a claim to all the household and kitchen furniture and everything else on the premises. The trustee telephoned Berman's attorney and sent for Mr. Berman, asking them to come to the house, telling their attorney over the telephone that he was there, what his business was, of Mrs. Berman's claim to the property and that he wanted to talk to them, and make some arrangements to hold the property "in statu quo," until the courts could pass upon the title; that the trustee could not do this and would not attempt to.

In the course of twenty minutes, Attorney Pottle and Berman arrived at the house. They were both very angry and demanded by what authority the trustee was there and tried by force to eject him from the premises. In this they did not succeed however, and both left there.

The trustee found that there were two trunks and two boxes packed for shipment in the hall. Most of the other furniture was packed and crated. He told Mrs. Berman that he did not wish to disturb her in the claim or the possession of anything in the nature of wearing apparel for herself, her child, or her husband, and that she would please not only take all of such property, but anything else that would add to the comfort of herself or her child, and these things were given to her cheerfully and liberally. In addition to all this, she wanted one of the trunks saying that it contained nothing but her wearing apparel and that of her child. The trustee consented to this, provided she would open the trunk, and permit him to verify her statement, but this she declined to do. Consequently he had the trunks and boxes put on a dray and carried to a warehouse, where they were opened and contents inventoried.

In the trunk in which Mrs. Berman declared there was nothing but the wearing apparel of herself and child the trustee found a miscellaneous assortment of men's, women's and children's clothing, material for making clothing and bric-a-brac, and concealed among the clothing was a man's pocket book 10 inches long by 4½ inches wide, in which there was \$1,940 in currency. The trustee took possession of this money, deposited it in a bank to his credit as trustee in bankruptcy for M. Berman, returned the trunk to Mrs. Berman with its other contents, had the house locked up, and made report to Referee in Bankruptcy Castellow.

The attorney for Mr. Berman endeavored to effect a composition at this time but because it was irregular the trustee declined and declared such step must be taken through the regular channels.

Then, the "fire-works" began. Two warrants were sworn out in the city court for the trustee, one for forcible entry and detainer, the other for cursing in the presence of a female, which trustee acknowledged doing when Pottle and Berman tried to eject him from the premises.

They instituted suit in the city court to recover the \$1,940, and another suit in the same court to recover \$1,000, the value of

the household and kitchen furniture, and also a suit for \$10,000 damages. At this stage the trustee employed as counsel, Smith, Hammond & Smith, of Atlanta, and the burden of defence now fell on them. Judge Newman granted an injunction restraining Mrs. Berman from pursuing her suit in the state courts to recover the money, or the household and kitchen furniture. The damage suit for \$10,000 was tried in the city court, and judgment rendered against the trustee for \$6,000.

Appeal, of course, was taken and the upper court handed down a decision in which it reversed the lower court and upheld the attorney in what he did in so far as the law is concerned, and the only question remaining to be adjudicated, is the ownership of this \$1,940 and the household and kitchen furniture.

That is a question that concerns the creditors and the bankrupt. There will necessarily be a hard fight and one that concerns the credit office of every house in Georgia. Many credit men feel that they can get more good out of this litigation than they have had out of any that has taken place in Georgia in a long while, and it is hoped they will interest themselves and get this benefit. The trustee went through fire and water in his work. It cost him a great deal of money and unlimited annoyance to get through with this litigation. He was indicted by the Grand Jury, tried and convicted, and paid a fine of \$300 rather than work six months on the chain gang in the criminal action. He had his account garnisheed at the bank and every effort was made through the commercial agencies to destroy his personal credit. He suffered continuous litigation in the civil and the criminal courts, in the state and the federal court for eighteen months, and of necessity, had to pay out a large amount of money, and do an enormous amount of work.

The remaining step is to compel Berman as a bankrupt to make an honest and true showing of his affairs.

The homestead has not been set aside, and will not be, if the trustee can help it.

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### Adjusting a Discount.

GENTLEMEN:

"In sending you our check a few days ago for \$22.45 we made a mistake of exactly *nine cents* and a fraction of a cent. We received the enclosed slip pinned to one of our returned bills.

"Now, we do not claim to be *experts in figures, not having had the advantage of studying under the most illustrious personage who undertakes to correct us*, because, being of humble parentage we could not enjoy such a luxury.

"For this reason we have never learned the mathematical rule whereby 8 per cent. of \$16.41 becomes \$1.21.

"Nevertheless, it *must* be so, for here is an *expert mathematician* who *plainly makes the assertion*.

"However, we are quite willing to forgive him, since it is his first offense in this direction.

"At the same time we believe that he owes us a real good smoke for making such a blunder, so send it along, but please do not take it from the same box as the one which you smoked before figuring this bill, as we are very choice about our cigars, and should not care to be affected in the same way. ('When thou wouldst remove the mote from thy brother's eye, first *pluck the beam from thine own*, then wilt thou see more clearly to remove the mote.')

### Some Characters You May Meet Also.

The Washington State Bankers' Association has issued a warning against a clever crook who may attempt operations in other parts of the country. The bulletin says:

"The scheme is as follows: On his arrival in a town, the man who gave his name as Robert Newell, consults an attorney and places in his hands for collection a note for a large amount, made payable to himself, giving the attorney the name of an Alaskan business house, which he asserts is the agent of the man against whom the note is drawn. The lawyer writes the Alaskan house and receives a reply, containing what purports to be a draft for the amount of the note. The attorney readily endorses the draft and it is then deposited in a bank and the man draws checks against it. Investigations reveal the fact that there is no such Alaskan business house and that the draft is a forgery, but this is not learned until the swindler has secured practically all the amount of the draft and left town."

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One of our good members reports the disappearance of W. T. Allen, formerly in business at Woodward, Oklahoma. Allen made a statement to the mercantile agencies last April claiming assets of \$35,000 over and above all liabilities. If this statement is true, then he has carried along with him a comfortable amount of money. Investigation made after his disappearance indicates that he has left indebtedness behind of over \$7,000. Loose assets have been gathered together which may possibly produce a 10 per cent. dividend to the creditors. If anyone can furnish a clue to where this man is at the present time, it will be appreciated.

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The Banner Electric Co., of Youngstown, Ohio, reports that a person using the name of A. M. Carter is representing himself to be in the employ of this company as a salesman and is offering checks drawn to his order signed by C. B. Emery, Secretary and Treasurer. As a rule, these checks are drawn for \$65 each, although some of them have called for \$46. They are offered at hotels where Carter has registered. So far he has visited the following places: Salisbury, N. C.; Newton, N. C.; Hickory, N. C.; Asheville, N. C.; Knoxville, Tenn.; Toccoa, Ga., and Atlanta, Ga. His description is furnished as follows: This Carter is from 30 to 35 years of age; height about 5 feet, 6 to 8 inches, rather broad shoulders and of solid build; weight about 150 to 160 pounds; has dark hair streaked with gray, seemingly prematurely gray, dark complexion, talks fast and has the appearance of having more than ordinary business intelligence. Some of the descriptions state that he has a dark mustache streaked with gray, others describe him as being smooth shaven. Some state that he wore a gray suit with straw hat, others state he wore a dark blue suit with black stiff hat.

The Banner Electric Company would like to have this party placed under arrest and if any one reading this item happens to run across Carter, the National office should be advised by wire.

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A report comes from Spokane to the effect that Peter Cockoros and Tom Genek, two Greeks doing business under the name of the Eastern Ice Cream Co., which concern was placed in involuntary bankruptcy by the Spokane association, have been convicted of concealing assets and have both been sent to jail for thirty days. While the punishment inflicted is comparatively light, it is believed that it will have a good effect



on other persons of the same nationality doing business in Spokane. The expense of the prosecution was paid by the association there, no charge being made against the estate, although some assets were recovered, the amount realized from them being pro rated amongst the creditors.

From time to time complaints regarding the methods of Greek merchants have reached the National office. They indicate that particular attention should be paid credits extended in this direction.

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A member at Duluth reports the disappearance of a salesman by the name of Robert C. Harrison, aged about thirty, smooth face and of fair complexion. On September 19th, Harrison left Duluth with an expense check for \$100 and 5,000 miles of transportation. He checked his sample trunks to Grand Forks, N. D., and the supposition is that he went through to the Coast. The BULLETIN has been asked to give prominence to this and if any member succeeds in locating Harrison, the National office should be communicated with by wire.

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The Northwestern Jobbers' Credit Bureau at St. Paul is anxious to locate Harry Dinar, experienced shoemaker, who was formerly located at 705 Sixth Avenue North, Minneapolis, Minn. Dinar carried his photograph on his business cards and also the union label. He advertised that "polite attention would be shown to all." Some of his creditors will probably feel like contradicting this. A petition in bankruptcy has been filed against him and if he can be located, Uncle Sam may take him in hand.

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During the last session of the legislature of Rhode Island, the National Association of Credit Men secured the passage of an act to regulate the carrying on of business under an assumed or fictitious name. A member advises that the first case under this law has just reached the Rhode Island courts, for on October 26th, four men were arrested and held in the sum of \$300 each for a hearing set for November 11th. Two of the persons arrested appear to have been conducting a business known as the American Fur Company and appeared to have visited a number of cities. In this particular case, they opened a store sometime in October showing a line of holiday goods. The business men of Providence claiming that these people paid no taxes and were not citizens of Rhode Island, asked the authorities to interfere, with the result before mentioned. This develops a new phase in the operations of such a law inasmuch as it appears to provide protection for local merchants against a class of men who might well be described as "tramp business men."

The other two parties arrested were conducting a so-called school of instruction in moving pictures. They secured the payment in advance of a sum varying from ten to twenty-five dollars, for which they agreed to furnish liberal education in the art of operating moving pictures, etc., and incidentally a promise was made that after becoming proficient in this line of work a position would be furnished. The police think that their action in these cases will put a damper on the ardor of such men, and Providence will be marked as a good place to keep clear of.

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I. F. Bean, of Bluford, Ill., is at large again and probably will be heard from before long. Bean was convicted some time ago for using the United States mails for fraudulent purposes and was sent to prison. As he will take anything on credit from a package of needles to a threshing machine no one need consider themselves as immune from



the possibility of being invited to contribute. Bean formerly used the name Bluford Nursery and gave as reference a bank which only existed in his mind. This is another case where envelopes should be marked for identification and preserved.

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Once again members are warned against passing hurriedly, orders post-marked either at Jellico, Kentucky, or Jellico, Tennessee. These places appear to be the headquarters of a gang of swindlers who send orders for merchandise out under names easily confused with concerns of standing in these places. Members can aid in cleaning out this gang of rascals by sending to the National office communications received from them accompanied by the envelope carrying them. Don't forget to have the envelope initialed by two persons with date.

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The danger of, or better still, the absolute folly of checking credits on agency ratings where first orders are under consideration has been referred to so often and the results which usually follow such a course have been so well advertised as to make it appear almost an impossibility that any up-to-date credit man could be caught by that threadbare game of ordering goods in the name of a well rated concern to be delivered at a place not occupied by the concern named on the rating book, *BUT* case after case develops where, through a contributory negligence, as it might be well called, business houses are swindled out of thousands of dollars worth of merchandise.

Recently two such cases have come to light, both in New York City, where through the exercise of reasonable diligence and the expenditure of a dime for car fare the disastrous results which followed could have been avoided. The ease with which some large swindles of this kind have been successfully carried through merely because of similarity in names has tempted a lot of petty operators to try their hand. Scarcely a day passes without a complaint on this score reaching the National office. A safe rule to follow is this. Don't pass an order from a stranger until you have actually established identity with the address furnished.

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Information has reached the National office to the effect that Levi Arnott, of Hendricks, Magoffin Co., Kentucky, is placing orders throughout the country in the name of L. Arnott thereby attempting to trade upon the standing of Lark Arnott. Members should know their man in this case.

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### **Does Not Believe in Insurance or Banks.**

An Indiana member writes of one of his country customers, a woman, who carries a stock of probably \$10,000 and no insurance.

Through one of his salesmen, our member discovered that this woman, doing an excellent business, not only carried no insurance but kept no bank account. She defended herself by declaring she had no faith in insurance, that she preferred to see her hard money rather than have it kept in banks and therefore concealed it about the premises without even using a fire-proof safe.

As our member says the case would not be particularly interesting to her creditors if she discounted her bills in ten days but she takes long terms and creditors are always considerably involved.

It is fair to presume this woman is too "sot" in her ways ever to be changed, for she is sensitive over her foibles.

### Missing Debtors Column.

Those listed here are reported as missing. Any information as to there whereabouts should be sent to the National office:

Sam'l Schleiff, 10 E. 12th Street, New York, N. Y.;  
Simon Rayovin & Co., New York, N. Y.;  
Sam'l C. Smith, Goldfield, Nev.;  
C. W. Little, LeBeau, S. D.;  
Edwin P. King, King Drug Store, 2602 Fifth Avenue, Pittsburg, Pa.;  
J. S. Miller, St. Anthony, Idaho;  
J. S. Wood, Chico, Cal.;  
A. Oxfeld, 1028 N. Broadway, St. Louis, Mo.;  
Jno. McFester, McFester Dec. Co., Kane, Pa.;  
R. W. Baxter, St. Louis Furniture Co., Montgomery City, Mo.;  
L. W. Spear, Royal Punch Co., Newark, N. J.;  
W. I. Cooper, Moorehead, Minn.;  
C. B. Hartford, Lewiston, Maine;  
John Behr, 5 Wadsworth Street, Buffalo, N. Y.;  
R. B. Culp, Columbus, Ohio;  
John Theo. DeGork, Kennewick, Wash.;  
Henry Kruck, 1974 Broadway, New York, N. Y.;  
Jacob Knopf, Winlock, Wash.;  
G. F. McLeoad, Eugene, Ore.;  
Miller Bros., Charlotte, N. C.;  
Frank Palmieri, 1529 E. Main Street, Richmond, Va.;  
Sam'l Sagall, 101 Clinton Street, Buffalo, N. Y.;  
J. Turi Company, Norfolk, Va.;  
S. A. Hendrix, Spokane, Wash.;  
R. D. Leonardson, Aurora, Neb., and Boise City, Idaho;  
Jas. Capron, 2026 Franklin Avenue, St. Louis, Mo.;  
F. M. Miller, 2342 E. 59th Street, Cleveland, Ohio;  
J. B. Kilpatrick, Bullard, Texas;  
Wayne Auto Top Co., Erie, Pa.;  
F. Nagy & Co., Newark, Ohio;  
A. Scheingold, Ohio Sample Furniture Co., Cincinnati, Ohio;  
Edward Miller, 242 Fourth Avenue, New York, N. Y. and afterwards said to be at 17 W. 84th Street.  
H. Farowish, 20 W. Third Street, New York, N. Y.;  
Philip Hoffson, Shamokin, Pa., and later of Boston, Mass.;  
Reeves and Slaton, Hugo, Okla.;  
J. O. Mullins, Willacoohes, Ga.;

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### An Important Amendment in the Consignment Law of Ohio.

"All commission merchants are required to render an itemized statement of sales to the consignor immediately upon the consummation of the sale, showing the gross amount of the sale, freight and express charges, other charges against the goods which the consignee has incurred, and the net proceeds of the sale. Such merchants must also keep a record of the above items, which shall be open for inspection at any time upon request of any consignor or his agent or attorney. Any violation of this law subjects the offender to a fine of not less than \$10 or more than \$200."

### **An Important Bankruptcy Prosecution at Philadelphia.**

The case of Joseph Stern *et al.* cited here is especially notable because it is the first successful prosecution under the national bankruptcy act in the great Philadelphia district and should make for more wholesome conditions in that city. Hugo Kanzler, one of the creditors' committee, very properly says: "This case shows that through co-operation of creditors, benefits under the bankruptcy law can be obtained, if creditors will unite in prosecuting fraudulent debtors. In every instance of violation the rights of the creditors, mercenary ends should be lost sight of and rigid prosecution should follow in every instance, when it is obvious that either the state criminal law or the criminal provisions of the bankruptcy law have been violated."

The case is described as follows:

Philadelphia has had its first criminal conviction in the bankruptcy courts since the passage of the bankruptcy act. Joseph Stern, Charles Stern and Benjamin Stern trading as J. Stern & Son, formerly manufacturers of shirt waists at 233 South Second Street, Philadelphia, have been found guilty of conspiring and concealing the sum of \$28,000 from their trustee in bankruptcy.

An involuntary petition in bankruptcy was filed against them on March 30, 1909, and J. Howard Reber was appointed receiver of the bankrupt estate. A hurried investigation showed that the failure was a well prepared and extremely fraudulent one. The place of business was virtually cleaned out, not a book or paper remaining in the office. In addition to the machinery the only assets found was a mass of raw material cut up in parts of shirt waists. It was evident that the piece goods were cut up so as to make them of no value to the estate.

A meeting of creditors was called by Samuel J. Gottesfeld, counsel for the bankrupts, and at that meeting in New York an offer of 33 1-3 per cent. was made. However, by reason of the palpable fraud in the estate, although the creditors knew they could not realize the amount of the offer by bankruptcy they unanimously rejected the same and virtually all of the creditors not only pledged as an expense to prosecute this case all of the assets which might be derived out of the estate but also an additional sum of 5 per cent. of the amount of their respective claims.

A committee of creditors to conduct a prosecution was appointed consisting of the following: Eugene Galland, chairman; Hugo Kanzler, James B. McGettigan and Julius Sondheimer, and immediately Mr. Reber, the trustee, and counsel, Clinton O. Mayer and Henry N. Wessel, were instructed to make an example of this failure and criminally prosecute and convict these people no matter what expense or time might be involved.

This investigation in the bankruptcy proceedings has been continuing almost daily for over a year covering the taking of thousands of pages of testimony, the examination of witnesses in numerous parts of the country, the employment of expert accountants, etc., the massive details of which cannot be enumerated. It resulted, however, in the facts being placed before United States Assistant District Attorney John C. Swartley and a warrant sworn out against the three members of the firm. Subsequently an indictment was secured and a trial before the grand jury occupied fully eight days resulting in a verdict of guilty against all parties.

At the trial it was shown that the liabilities amounted to approximately \$55,000, most of which was for merchandise purchased within a very short time prior to the failure and all of the assets which came into the possession of the trustee amounted to \$5,200.

It was shown that within a short time prior to the failure, when numerous creditors were clamoring for shirt-waists and when the Sterns stated they were too busy to deliver the same that Sterns during that period sold to a party in Boston 106,000 yards of fresh piece goods, the proceeds of which were immediately paid over to supposed borrowed money creditors, the names of which creditors could be found on none of their books. There was no record of the obligations purported to be in the concern and apparently they were fictitious.

It was shown that about the time they apparently started to prepare for this failure all of their previous books suddenly disappeared. It was further shown that at the time they could not supply their regular customers with shirt-waists they shipped \$4,500 worth of waists to Israel Franks, at Lawrence, Massachusetts. Israel Franks was a young man who had been in this country but a short time and was a peddler. When he received this merchandise he opened up a store in Lawrence. On the day the petition in bankruptcy was filed all of the merchandise disappeared out of the store.

It was shown that many of the checks drawn were to fictitious persons and after passing through numerous channels arrived in the hands of parties presumed to be acting with the Sterns in the preparation of their failure. The expert accountants showed that in many instances the books of the bankrupts were false.

The above are but a few of the facts brought out at the trial and it is impossible to enumerate all of them.

The outcome of this case should be of great encouragement to creditors. It not only shows that bankrupts in Philadelphia can be criminally punished but it also shows what can be done when creditors unite for the purpose of accomplishing results. It has been the general impression for some time that no one could successfully criminally prosecute any bankrupt in Philadelphia which condition has accounted for the number of rank failures.

The outcome of this case has unquestionably put a stop to a number of contemplated failures and taught the credit men what they can do if they desire. Too much praise cannot be extended to the committee of creditors who labored incessantly for over a year in assisting in this prosecution. Special credit should also be given to Mr. Swartley, the United States Assistant District Attorney, for the enthusiasm and energy displayed by him in the prosecution in behalf of the government.

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### **The Credit Man's Sphere as Big as He Chooses to Make It.**

President John J. Dolphin, of the Buffalo Credit Men's Association, recently wrote a message intended for his local fellow workers which strikes so closely to the needs of every ambitious credit man that it is given space here. His words may well be adopted as part of the platform of every credit worker.

President Dolphin says:

"In accepting the office of president I did it with a great deal of reluctance, realizing that the office required a large amount of time and work. I am willing to give both of my time and labor for the good of the association. In no other field of united work is there such a great opportunity as in that of the credit men. Our association is what we make of it. If we use it little, it will be of little benefit to us. If we use it a great deal, it will be of great good. I believe that our members as a



rule do not avail themselves of the very material benefits to be derived from our association. One of my aims for this year will be to bring to the attention of the members these practical every day facilities of the work.

"Again, I feel that as members we do not read the National BULLETIN as we should. If we would but take the time we would find in it many a valuable hint; in fact it is absolutely necessary for our own well being that we should. If we desire to grow in usefulness and earning capacity we must be up-to-date and we cannot be unless we keep abreast of the times in the credit world by reading and by exchange of ideas. The doctor keeps up-to-date by his medical journals; the lawyer by his current reports. The credit man, lest he becomes stagnant, must keep informed through the National Association of Credit Men, by reading its literature and attending meetings of its branches.

"There is no work which is more educating than that of the credit man. Your associates in this kind of work have ideas possibly, that you have not. It may benefit you very materially to get these ideas. You can get them with but slight effort by association with the active forces of the organization. If you are interested in the work of any particular committee notify the secretary.

"As our business institutions develop the technique or touch of the credit man must become finer, more sensitive, and this can come only through the educational process. The world is calling for broader credit men as well as broader men in other professions.

"I ask your co-operation to keep up the good work we are in. A little time from each, a little boost by each is all that is necessary."

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### WHERE RESOURCES ARE STRONG.

(PUBLISHED IN THE MINNEAPOLIS JOURNAL UPON THE ANNOUNCEMENT  
THAT THE NEXT CONVENTION OF THE ASSOCIATION  
WILL CONVENE AT THAT CITY.)

"The credit men are coming to Minneapolis for the annual gathering in 1911. There is not a city in the United States to which they could come with greater advantage to themselves. They will see not only a city that has grown with great rapidity and is a center for an immense extent of rich country, but they will have opportunity to see in operation here the element of reserve power which they take account of in their size-up of a man, a firm or a community, in their regular duties of passing upon the granting of credits. For the credit men are the watchdogs of the firms with which they are identified. They are expected to be eagle-eyed and argus-eyed. They earn their salaries and keep their jobs by being able to pick out the worth in men and the weaknesses, and by determining the extent to which they may safely be given a 'line of credit.'

"This year there was an unfavorable crop yield in one-quarter of the Northwest. Portions of the country in the Minneapolis trade zone had the best crops ever raised, but other portions had reduced yields. The manner in which the Northwest has gone about its business unaffected by this, the keeping up of the business volume and the general prosperity, has been a marvel to some of these outside credit men who were not aware of the reserve strength of the Northwest acquired through the continued good yields of ten years. The Minneapolis trade territory was so rich that one season less favorable than the average could not affect it seriously."



### **Thirty-sixth Annual Convention of the American Bankers' Association.**

The American Bankers' Association convention of 1910, held at Los Angeles, October 3-7th, registered about 2,500 delegates and was one of the most, if not the most successful, in the history of the organization.

The review of the work of the year was presented in the main by President Lewis E. Pierson, of New York. After speaking of the efforts of the Committee on Postal Savings Banks to defeat the movement in that direction and of the Bill of Lading Committee to whom was delegated the task of coming to a satisfactory agreement with foreign bankers regarding the validation of export bills of lading, President Pierson spoke of the reorganization of the detective department of the association, also of the workings of the American Institution of Banking department in its effort to train up a high class of banking officers and again of the development of stricter bank supervision. On this subject and also that of commercial paper, Mr. Pierson's remarks are especially interesting. He said:

"In other countries bank supervision rests largely with directors and shareholders through the employment of public accountants as examiners and the maintenance of a permanent auditing staff.

"In our country the national and most of the state governments maintain strict supervision over banking institutions under their jurisdiction, and as our association has been a consistent advocate for better service in this respect, it is with much gratification that we note the satisfactory results attending the efforts of recent years to bring about a highly developed system of supervision of banking institutions throughout the country.

"In this respect the administration of the present Comptroller of the Currency Hon. Lawrence O. Murray, is a conspicuous and commendable example of what can be accomplished in his office, and I feel that he is deserving of the thanks of the members of this association for the high state of efficiency to which he has brought the present system of national bank supervision.

"The clearing house section of our association has also successfully urged the employment of examiners by clearing houses to make regular examinations of the banks in some of the large cities, and we find an increasing number of banks each year employing outside auditors to make independent examinations for the benefit of their directors.

"All this work, I believe, would be greatly aided by the development of a uniform system of bank accounting, as advocated by the Hon. Pierre Jay, formerly Commissioner of Banking for the State of Massachusetts. Such a system would be invaluable to the smaller banks and could be utilized to advantage by the larger institutions and would provide a ready and sure means of verification by the bank examiners.

"I also believe that out of such a system there should be developed a proper method of ascertaining the cost basis for handling various items and transactions in the banks.

"Manufacturers reduce to the smallest fractions the cost of each operation in producing goods, while bankers have too long been prone to lump expenses and income and take chances on coming out with a profit.

"The expense end of any other modern business is under careful supervision, and in my judgment if bankers were to work on a proper cost basis, as well as transit costs, they would not only find their analysis

departments would reveal opportunities to insure amazing savings, but would be less eager to offer unusual inducements to secure new business.

"In recent years the sale of commercial paper and its purchase by bankers through brokers has grown to vast proportions.

"The purchase is made upon the representation of brokers, on statements of condition of the makers and upon credit information obtained by purchasers from various sources, all tending to show the ability of the makers to pay their borrowings promptly at maturity.

"Banks in the reserve cities also are asked to make large purchases for the account of correspondents, and much paper is sold on option by traveling salesmen of the brokers direct to the country banks.

"The large banks in the cities maintain for the benefit of themselves and their correspondents extensive investigating bureaus, which, in many directions, are steadily working closer with each other in the exchange of credit impressions, so that nearly every name is always under a glaring searchlight.

"This method of determining the goodness of each name, while it has many advantages, is never surely correct, and on the other hand, out of the free exchange of opinions, unjustified prejudice often creeps in to the detriment of solvent concerns.

"It would, therefore, seem to be a decided advantage to devise a regular system whereby true conditions may be absolutely ascertained to justify both the sale and the purchase of commercial paper and add to its availability as a desirable bank investment.

"The failures of several large concerns in recent years have revealed statements of condition upon which the purchase of their paper was largely made to be erroneous, to say the least, and as a result losses aggregating millions and millions of dollars have been sustained by the banks, although scattered in moderate amounts among a large number of institutions.

"The question, therefore, of regulating and making safer in some fair way the growing amount of commercial paper has been a live topic among bankers for some time. Many suggestions for the purpose of ascertaining true conditions have been made, including the registry by clearing houses of the notes sold and examinations of the affairs of the makers by public accountants of known standing.

"These requirements would seem to be greatly desired and perhaps would best be accomplished through a committee organized for the specific purpose of recommending accountants, the method of their examination and form of report and, with assistants, performing the function of registering each and every note issued by concerns selling their paper in the open market.

"During the past few years members of our association have met severe losses as a result of a clever system of note kiting, which, in spite of publicity, seems to be increasing.

"The operations appear to be instigated and guided by people whose newspaper advertisements offering financial support catch many unwary, well-meaning and well-rated merchants and manufacturers, who yielding to the tempting offers set forth, face inevitable bankruptcy, with shame to themselves as dupes and loss to their creditors.

"These dupes are advised to open accounts in designated banking institutions where the management may appear lax, or, more often, their own bank may be selected as a target, and for a while good balances are maintained, sometimes with funds furnished for the purpose.

"After confidence and credit have been established, instructions go

out to draw notes to the order of other concerns in proper lines of business in exchange for a like amount of notes made by others in a similar line of business, and from each the instigator of the exchange receives ruinous commissions.

These apparently legitimate receivables are then offered for discount, and, having all the appearance of business paper, bearing two rated names, are accepted by the bank; and so it goes on until the line of supposed receivables creeps up and finally one of the concerns goes under. The house of cards then tumbles; those retaining some strength being carried down by the weight of their endorsements in addition to their own notes outstanding.

"In view of the insidious methods employed, it is essential that our members be constantly on their guard against these operations and at the same time co-operate with the protective committee in any manner that will secure certain punishment to those instigating and perpetrating this system of high finance."

Irving T. Bush, of New York, made an address on needed banking and currency reforms from the point of view of commercial interests. He said: "As a business man and representative of an association of business men, I have diligently studied all sorts of currency schemes, and am forced to the conclusion that a control of our currency by a modified form of central bank will be the best, and that such a control can be made to meet all the objections which have been raised against the present system. It is the method selected by the great nations with whom we are engaged in industrial competition. Let us keep our existing banking system, but provide those conducting it with efficient machinery to create the currency which the business man may require in the conduct of his business and payment of labor."

The speaker then cited some of the more serious objections which had been found with the central bank scheme and referred to his association's efforts to devise a modified system that would include the better features of all present systems. "The matter," he said, "seemed to resolve itself into a limitation of the functions of the bank and a method of selecting a board of governors which would guarantee that no one of the three elements of politics, bankers or special interests could control. I will ask you to picture to your minds, as the committee has, a central bank governed by a board composed of bankers, a limited number of government officials, and the balance, men engaged in business, and not identified with either banking or politics, with its functions limited absolutely to dealing in foreign exchanges in order to protect or build up our gold reserves, re-discounting certain approved forms of short term commercial paper and bills of exchange for regularly organized financial institutions, and the issuing of bank notes; all profits above some fixed percentage, say 4 per cent., to go to the government or to be used for some public purpose. Membership on this board of governors will be as highly esteemed by the banker and the business man as a position on the bench of the Supreme Court of the United States is by the lawyer to-day.

"The one safeguards the final administration of our laws by the numberless courts of the country, and the other will supervise the use of our currency. Place the board in the limelight of public opinion and make membership worthy of the ambition of any man. The limitation of the functions can be absolute. The re-discounting can be limited to other institutions. The class of paper accepted can be prescribed, and certain endorsements required. The issue of notes can be completely

safeguarded and an adequate gold reserve maintained. I avoid details, for they mean discussion. What we need now is agreement upon principles. I am, however, going to answer one question which will arise in the minds of many. It is—why we should adopt even a modified central bank, if the name and form is objectionable to the people, if some other method of control can be devised. There are a number of reasons!

"First, a central bank is a proved success in many countries and any other form will be an experiment, and we have had enough experiments tried upon our currency system. The advocates of other systems point to Canada to-day, and the Suffolk system of long ago, as proof of their theories. Canada has a limited population, and its problems of international finance are insignificant, compared with those of the United States. The Suffolk system was in operation in a small territory in early days, and many of the present day problems were then unknown. Both systems have in them much to admire, but they are as yet untried by any great nation. The second objection is: Who will exercise the necessary intelligence and power to protect or build up our gold reserve, unless some central body be given that right? A machine can be made almost automatic in its operation, but perpetual motion has never quite been achieved. The countries of Europe protect and increase their gold reserve primarily through the variation of the discount rate. Occasions will arise when some body, or some body of men, must exercise judgment for all. This means central control. Without that exercise of judgment the system will fall short of its full usefulness. Another point of the first importance is the centralization of the reserve against notes issued. Scattered among thousands of banks, they may be as large in the aggregate, but they cannot be so effective in preserving public confidence as centered in one great reservoir, where all can see and realize what stands behind the American banknote. In times of peace an army may be garrisoned at many points, but in time of danger the army is mobilized and the confidence of the people increased by the sight of a vast and effective force ready for instant use.

"Nothing inspires public confidence as a reserve which can be measured in one great mass—a great reservoir ready for instant use in time of fire, an army mobilized in time of war, and a money reserve centralized where all can realize its immensity in time of panic. I should like to discuss with you many features, which I leave untouched to-day—to argue that this great problem, instead of being intensely complex, as is popularly supposed, is really based upon the most simple rules of business. Let us make up our minds to clear away our present false foundation, by the only direct course—a refunding of our government bonds at an interest rate which will make them sought as an investment. We cannot get something for nothing and the people must pay the market rate of interest for the money the nation borrows. To-day they pay it by increasing the cost of their currency, just as certainly as by an increase in the rate of interest upon the bonds of the government. Let us be done with so-called 'clever finance,' and go back to simple methods of paying a fair rate of interest for money we borrow, and have a currency as nearly tax-free as may be—a tax upon currency is a tax upon industry.

"The geological extent of the country will, of course, compel the administration of the bank through branches located at convenient centers. Each branch will act under the direction of the central board as a central bank for a zone tributary to it. The function of these branches will be limited by the powers given the central institution and the branches will



exist in your midst, not as competitors, but as pieces of machinery controlled by a central station, by means of which you can, in time of need, convert your sound assets into currency to meet the trade requirements of the communities which you serve. Some power of central control is now included in nearly all plans for reform—either through a central board or a general committee, and as a last word I ask if it is not straining at a gnat and swallowing a camel to attempt to develop an untried system for the control of our currency—the lifeblood of our industrial world—and then to put at the head of this system a committee, against which can be advanced all the objections which are urged against the board of governors of a central bank? If we cannot safely delegate the necessary power to one, we cannot to the other.”

Senator Theodore E. Burton, of Ohio, a member of the National Monetary Commission, in an address before the convention laid down four large principles which he said should be observed in any plan for the regulation of the currency as follows:

“1.—The same care should be observed for the cancellation or withdrawal of circulating notes when they are redundant as for their increase in times of scarcity or stress. Great pains should be taken to prevent the utilization of note issues for the promotion of speculation or injudicious enterprises.

“2.—In regulations for the issuance of currency, the decision of the amount and continuance of its circulation should rest upon demands of trade. The basis should be assets upon which there can be promised realization. There should be the greatest possible divorce from arbitrary control or political influence.

“3.—Circulating notes should possess absolute security or at least the nearest possible approach to absolute security. The pleasing fiction written down by some writers on finance that a bill intended for universal circulation and acceptance as money is only one form of the obligations of a bank, and should be possessed of no more sanctity than other debts, cannot be accepted. The time will not and should not come when, after reading of the failure of a bank, the reader will anxiously look through his pocketbook to see if he has any bills of that institution.

“4.—In the case of bills issued by banks profits should not be expected from the exercise of the privilege, but rather from the added ability to provide for their customers and the advantages which accrue from their ability to meet any and all emergencies. I do not think that the banks have sought profit in this direction.”

In the compass of the BULLETIN it would be impossible to give an adequate idea of the great convention which drew together, for better understanding and more nearly common purpose, bankers in large numbers from every state of the Union. The effect upon the nation of such a gathering is sure to be most salutary.

On the final day of the convention, Vice-President F. O. Watts, of the First National Bank of Nashville, Tennessee, was unanimously elected president of the organization and Wm. Livingston, of the Dime Savings Bank, of Detroit, was made first vice-president.

Indications are coming to the surface that the discount for cash sticker is beginning to bring results. A member sends us a sticker he used on a discount “pincher” which was returned to him with stamps attached for the amount short. Are you using this form? If not write for sample. If all credit grantors used them, results would come quickly and surely.



## THE RELATIONS BETWEEN RETAILER AND CREDIT MAN.

BY MR. FRED A. SMITH, OF REID, MURDOCK & CO., CHICAGO.

The relations between the retail merchant and the credit department of his jobbing house are often misunderstood owing to a wrong impression on the part of some dealers that the credit man is his natural enemy, and ordained by Providence and employed by jobbers to turn down orders, drive away trade and embarrass him with senseless inquiries regarding his financial affairs. In reality, there is no department with which the retailer should be on closer terms than the credit department.

In many cases, the credit man is a member of the firm and as anxious to increase the trade of the house as the retailer himself to add good customers to his own list. As their interests are mutual, the credit man, owing to the knowledge naturally acquired from experience of his customers in various parts of the country, is often in a position to offer suggestions or advice on bookkeeping methods, special sales, trade leaders, advertising, private investments, etc., etc., besides recommending to other jobbers certain merchants as deserving of credit. Credit men are constantly exchanging trade experiences with each other and the retailer standing high with his credit man will be favorably mentioned to others. In soliciting trade, jobbers and salesmen naturally offer their desirable lines and bargains to the best credit risks, therefore, the retailer should cultivate as friendly relations with his credit man as at home with his local banker from whom he occasionally desires accommodations.

As to the retailer who has no established rating objecting to a credit department's investigation of his financial condition before extension of credit, a second thought should convince him that if he loans money or sells goods on credit to absolute strangers without some knowledge of their affairs, he is a very poor merchant and sooner or later will accumulate a worthless lot of book accounts difficult to realize from. His local banks in loaning money would either require security or an endorser; unless they had some definite knowledge of his responsibility, and, consequently, in expecting favors from a distance he should furnish some basis for such accommodations, as jobbers' profits are now so small the question of credit must be eliminated as far as possible. On the other hand a merchant cannot afford to buy of a concern where credits are extended carelessly, as such unbusiness-like methods simply result in a heavy percentage of losses which must be considered in the price or quality of goods which the retailer will eventually pay; in other words, the conservative, prompt-paying merchant does not care to pay for the bad debts of other men, and should patronize the jobber whose losses are light.

Mistakes are often made by retailers in refusing to give to credit men or commercial agencies information about their affairs, for a poor agency rating compels a jobber to hold orders for thorough investigation, causing delay in shipment and other annoyances. The poor rating may be inspired by trade jealousy or the reports may emanate from a personal enemy, conditions of which the agency has no knowledge, but the refusal of a merchant "to show his hand" will naturally confirm such unfavorable reports; the responsible retailer, therefore, has everything to gain and nothing to lose by having his affairs clearly outlined; otherwise it is an indication that he dares not have the actual facts disclosed, while frankly explaining conditions to his credit man would result in straightening out matters with agencies, thus giving the merchants such ratings as he may be entitled to. Many merchants claim they "want no credit," but "pay cash," which technically is "cash with order," for, if goods are shipped

on one, or ten-day terms, it is a credit extension if possession is given before payment is made.

Many retailers and salesmen seem to consider that when credit is refused the customer's honesty is questioned. This is entirely wrong, for, although honesty and character are the foundation stones of business success, other elements are essential. Statistics compiled from several years' records show that of business failures, 30 to 35 per cent. in the United States are caused by the lack of capital, 20 to 25 per cent. from incompetence, while inexperience, unwise credits, extravagance, neglect, competition, speculation and disasters, together cause about 30 to 40 per cent, and dishonesty and fraud only 8 to 10 per cent. In Canada from 1902 to 1905, 70 per cent. of the failures were caused by lack of capital and 15 to 20 per cent. by inexperience and poor judgment, clearly indicating that the credit man has many elements to consider besides that of honesty alone; crop failures, fires, suspension of work in manufacturing and mining districts, to say nothing of mismanagement, have seriously embarrassed, if not ruined, many honest merchants in spite of their best intentions.

In extending credit over as large territories as many of our Chicago jobbers, the credit man must keep in close touch with physical conditions that seriously affect the paying ability of his customers. We must watch the gold and silver mining output of Alaska, Colorado, Montana and Mexico; the iron mines of Northern Minnesota, Michigan and Alabama, and the copper situation in the Lake Superior, Arizona and Mexico districts; coal mines from Pennsylvania to Iowa, as well as the manufactured ore products, the output of which is frequently interrupted by strikes and labor troubles at smelters, rolling mills and furnaces, causing serious injury to the trade and collections of our customers. The wheat, corn, cotton, tobacco and fruit crops in various sections must be kept in mind, and also the wool, lumber and live stock markets, and tendency of producers to carry products several months before marketing, which compels the retailer to carry his accounts accordingly, often impairing his credit with jobbers.

The activity of every factory and manufacturing town over the entire country and steady employment of labor at good wages, or its reverse, at points where customers are located, must be constantly in the mind of the credit man. The prosperity or depression of the fishermen in Cape Cod Bay, Lake Superior, or the Alaska and Oregon salmon waters directly affects the credit and paying ability of every retailer selling goods to such men, and it is often the patience, and confidence of the credit man in the honesty and ability of customers with whom he feels well acquainted, that keeps them on their feet in time of financial panics, while distrust or suspicion, arising from unwillingness of a merchant to frankly outline his condition, or give his friends an opportunity to assist him, will often result in disastrous failure. The statement that jobbers and credit men are always anxious to close out and ruin a merchant is too absurd to consider, as their interests are mutual and the jobber's success is based on his customer's prosperity; and as the best part of any firm's capital is the good will of its customers, it would be folly to forfeit their esteem and friendship by unfair treatment.

**The Association still has a few copies of the Standard Fire Insurance Tables covering the vital statistics of nearly three hundred fire insurance companies doing business in the United States. Members may secure copies through the National office at 6 cents apiece delivered.**

## THE SHERMAN ANTI-TRUST LAW.

### A BRIEF ANALYSIS OF THIS IMPORTANT STATUTE.

A Frenchman, Laurence V. Benét, has written for the American Chamber of Commerce in Paris so excellent an analysis of the Sherman Anti-Trust Act, the interpretation of which is soon to be put up to the Supreme Court in cases of high importance to general business and credit interests, that advantage is taken of this clear exposition to bring the real points at issue in these cases before our members.

Quoting in full from Mr. Benét—

A financial journal in a much-quoted article on the Sherman Anti-Trust Law has recently questioned the legality of a large number of American corporations, and has aroused much unfounded distrust of American securities in general. A list is appended to the article in question of 1198 corporations having an aggregate capitalization of \$10,612,372,489 (exclusive of bonds), and it is broadly stated that "all (are) subject to the penalties of the Sherman Law." The Sherman Act is little understood in France, and it is believed that a better understanding of its scope and limitations under the Constitution of the United States will be of value to the investing public.

The Constitution of the United States provides:

[Sec. 8.] The Congress shall have power. \* \* \* To regulate commerce with foreign nations, and among the several States, and with the Indian tribes. \* \* \*

and the Tenth Amendment states that:

The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people.

In other words, whilst the National Congress has full powers to regulate international and interstate commerce by Federal Statute, it is without power in any way to regulate or affect corporations or others operating in individual states and not engaged in interstate or international trade or commerce.

The Act of July 2, 1890, popularly known as "The Sherman Anti-Trust Act," is entitled "*An act to protect trade and commerce against unlawful restraints and monopolies*," and provides:

[Sec. 1.] Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is hereby declared to be illegal.

Every person who shall make any such contract or engage in any such combination or conspiracy, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

[Sec. 2.] Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons, to monopolize any part of the trade or commerce among the several States, or with foreign nations, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

[Sec. 3.] Every contract, combination in form of trust or otherwise, or conspiracy, in restraint of trade or commerce in any Territory of the United States or of the District of Columbia, or in restraint of trade or commerce between any such Territory and another, or between

any such Territory or Territories and any State or States or the District of Columbia, or with foreign nations, or between the District of Columbia and any State or States or foreign nations, is hereby declared illegal.

Every person who shall make any such contract or engage in any such combination or conspiracy, shall be deemed guilty of a misdemeanor, and, on conviction thereof, shall be punished by fine not exceeding five thousand dollars, or by imprisonment not exceeding one year, or by both said punishments, in the discretion of the court.

[Sec. 4.] The several circuit courts of the United States are hereby invested with jurisdiction to prevent and restrain violations of this act; and it shall be the duty of the several district attorneys of the United States, in their respective districts, under the direction of the Attorney-General, to institute proceedings in equity to prevent and restrain such violations.

Such proceedings may be by way of petition setting forth the case and praying that such violation shall be enjoined or otherwise prohibited. When the parties complained of shall have been duly notified of such petition the court shall proceed, as soon as may be, to the hearing and determination of the case; and pending such petition and before final decree, the court may at any time make such temporary restraining order or prohibition as shall be deemed just in the premises.

[Sec. 5.] Whenever it shall appear to the court before which any proceeding under section four of this act may be pending, that the ends of justice require that other parties should be brought before the court, the court may cause them to be summoned, whether they reside in the district in which the court is held or not; and subpoenas to that end may be served in any district by the marshal thereof.

[Sec. 6.] Any property owned under any contract or by any combination, or pursuant to any conspiracy (and being the subject thereof) mentioned in section one of this act, and being in the course of transportation from one State to another, or to a foreign country, shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for the forfeiture, seizure, and condemnation of property imported into the United States contrary to law.

[Sec. 7.] Any person who shall be injured in his business or property by any other person or corporation by reason of anything forbidden or declared to be unlawful by this act, may sue therefor in any circuit court of the United States in the district in which the defendant resides or is found, without respect to the amount in controversy, and shall recover three fold the damages by him sustained, and the costs of suit, including a reasonable attorney's fee.

[Sec. 8.] That the word "person," or "persons," wherever used in this act shall be deemed to include corporations and associations existing under or authorized by the laws of either the United States, the laws of any of the Territories, the laws of any State, or the laws of any foreign country.

The essentials of the law are to be found in section one, which may tersely be stated as providing that every combination in restraint of interstate or international commerce is illegal. That a corporation, trust, holding company or the like is formed by the combination of two or more corporations or companies does not in itself constitute illegality; to become illegal the combination must fulfil both of two other distinct conditions:



(a) The combination must concern or relate to international or interstate trade or commerce.

(b) It must be in restraint of that trade or commerce.

None of the 1198 corporations enumerated in the list above referred to can fall within the condemnation of the Sherman Act unless they fulfil condition (a).

It may be stated that in general all corporations engaged in the production and supply of illuminating gas, of electric light and power, and all urban and practically all interurban traction companies operate solely in individual states. Such corporations are exempt from the restrictions of the Sherman Act, and may be and generally are combinations of two or more constituent companies.

Another, and large proportion of the 1198 corporations above referred to are formed of two or more constituent companies, are engaged in international or interstate commerce, but are not in violation of the Sherman Act, as they do not fulfil condition (b) as above.

The question as to whether a corporation engaged in international or interstate commerce, is in restraint of trade, may in truth be one of great complexity, which can only be answered by a decision of the courts; but on the other hand, it may readily be seen that the organization and operation of the vast majority of American corporations are clearly legal and permissible within the provisions of the law under review.

"The test of the violation of the act by a contract or combination is its effect upon competition in commerce among the states. If its necessary effect is to stifle or to directly and substantially restrict interstate commerce, it falls under the ban of the law; but if it promotes or only incidentally or indirectly restricts competition, while its main purpose and chief effect are to promote the business and increase the trade of the makers, it is not denounced or voided by the act."

"In order to come within the provisions of the statute the direct effect of an agreement or combination must be in restraint of that trade or commerce which is among the several states or with foreign nations. Where the subject-matter of the agreement does not directly relate to and act upon and embrace interstate commerce, and where the undisputed facts clearly show that the purpose of the agreement was not to regulate, obstruct, or restrain that commerce, but that it was entered into with the object of properly and fairly regulating the transaction of the business in which the parties to the agreement were engaged, such agreement will be upheld as not within the statute, where it can be seen that the character and terms of the agreement are well calculated to attain the purpose for which it was formed, and where the effect of its formation and enforcement upon interstate trade or commerce is, in any event, but indirect and incidental, and not its purpose or object." (Anderson vs. U. S. (1898), 171 U. S., 604; Hopkins vs. U. S. (1898), 171 U. S., 578.)

"The Northern Securities Company was organized by stockholders of two transcontinental and competing railroad companies as a holding corporation to take shares of such stockholders and others in exchange for its own shares upon an agreed basis of value, and pursuant to the plan it became the majority owner of the stock of such railroad lines. It was held that such arrangement was an illegal combination in restraint of interstate commerce within the prohibition of this act, and on a bill brought by the Attorney-General the company could be restrained from voting such stock or exercising any control over the constituent companies, and the railroad companies could be enjoined from paying any



dividends to such company." Northern Securities Co. vs. U. S. (1904), 193 U. S., 197. (2)

The case of the Northern Securities Company was a characteristic violation of the Sherman Law, for here was a combination of two *competing* companies, engaged in interstate transportation and very evidently in restraint of interstate commerce. Since the decision in this famous case, the scope and limitations of the law have been the subject of the closest study, and no corporations have been established in the United States without most careful consideration of the conditions of their incorporation, and of the nature of their operations.

It may be asserted with perfect confidence that investors in American securities need have no concern regarding the danger of an intolerant application of the Sherman Law, even in the case of corporations engaged in interstate or in international commerce, and this brief review may well be brought to a close by quoting words of Mr. Wickersham, Attorney-General of the United States, in a public address recently delivered at Chicago:

*"It is not to be inferred that it is the intention of the Republican party to put any check upon the natural and legitimate development of business enterprises, either through individual or corporate organization, but it certainly has been its fixed purpose since the enactment of the Sherman Law in 1890 to prevent the perversion of laws of corporate organization through intercorporate stockholdings to the accomplishment of schemes of monopoly."*

### **Told on a Credit Man Who Wanted a Watch Dog.**

*(From the Cleveland Plain Dealer.)*

After moving from the city recently to a little farm at Euclid, Frank H. Randel, credit man for the American Stove Co., figured out that one of the first things he would need as a feature of country life in America would be a dog. What he wanted was a dog that would be a jovial companion for his children by day, and devote itself to watchdogging by night.

So he began to make inquiries. A friend told him of a kennel in a neighboring village where great quantities of dogs were always in stock. Randel went to look them over.

They were all bulldogs and the prices were \$25, \$50 and upwards. Randel thought \$50 or even \$25 was a good deal for a dog; he felt that he would be paying largely for the pedigree, and he did not care much about who a dog's folks were, so long as the dog be companionable and good at scaring away trespassers. He told the dog man that he thought one ought to be able to pick up an intelligent, well-mannered dog for as little as \$10.

"O-oh, by the way!" suddenly exclaimed the dog dealer, "I know just the dog. I took a pup in trade about a year ago, and he's still here. He may lack the pedigree of some of my higher priced dogs but I'll venture



to say that your children could have a lot of fun with him, and who is there to say that he won't make a watchdog of the first magnitude? And I would let you have him for \$10."

"Let's have a look at him?" suggested Randel.

The man trotted out the dog and it seemed to have a reasonable amount of intelligence and intrinsic worth.

"I'll take him at \$10," says Randel. "By the way, what's his name?"

"Funny thing about that," replied the dealer. "We've never named him. Always figured that whoever bought him might prefer to select the name for him, and thought giving him a name of my own pick might simply confuse the dog and get him all muddled up so he wouldn't know what name to answer to."

For the week after Randel got his purchase home, he and his family applied the entire gamut of canine nomenclature to the dog, but all without any visible effect. One would have thought that the dog didn't want a name. They would call it Oscar for two or three days and at the end of that time it would pay no more attention when they would say, "Hyuh, Oscar; Hyuh, hyuh. Come on, Osc!" than if it were being addressed in an entirely foreign tongue. They tried whistling, but even that didn't interest the preoccupied canine acquisition. It wouldn't even prick up its ears.

At the end of a week the Randels made a discovery.

The dog was stone deaf.

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**"Dear Company Pleas Tack a little Pacion wed me."**

"Dear Sir

I Recieved Letter 29—I See that you Wuld halp to get intsurenc but I whery thankful for the Kindness I ting Mr Breen hea is an onesty man and I gat Puty well everteng Listad so the Cant over due me. I am agoneng alredy wed the Bisnis ahad What I gat in the Line of groceris and What Saved Im gointo beld az soo averting is Setted. So Dear Company Pleas Tack a little Pacion wed me. I intt going going to Quet Dealing weed you.

respectluly Yours"

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We have just said that every one should give credit to his opponent if he fights fairly, whether by Price or Quality arguments, and that giving credit idea reminds me of Rastus. Rastus said to his grocer, "Yissah, A've done quit intoxicatin' bev'rages. Hain't tetched a drop 'n six weeks." "Good for you, Rastus," said the grocer. "You deserve much credit." "Dat's jes' w'at Ah come heah fo'. Gimme a pound o' butter, a paper o' tobacco, an' ——" "I said, Rastus," chimed in the grocer, "you deserve credit, but you know we all don't get what we deserve."

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**ASSOCIATION NOTES.**

**Buffalo.**

Matters having to do strictly with advance efforts in the association occupied the attention of the Buffalo association at the meeting of October 13th.

Secretary Grandison set forth very fully the plans of the National Association to establish a "National Prosecution Fund" and told why it

had become necessary to supplement local prosecution work with a wider system. He showed how this fund is to become a low rate insurance protection against swindling operations.

W. H. Race, of the Interchange Bureau Committee, gave an encouraging report regarding the bureau's work and showed that the only thing now needed to make it a larger success is to use it freely.

Chairman Smith, of the Membership Committee, announced he had estimated that the Buffalo association should at once have a membership of 500 and his committee was fully determined to reach this figure soon after the turn of the year.

### **Cleveland.**

The October 13th and 27th noonday meetings of the Cleveland Association of Credit Men proved beyond question that the luncheon feature of the associational activities is thoroughly appreciated by the members and is to be the means of interesting non-member houses in the organization. It has been possible to secure some unusually good speakers for these meetings.

The meeting of October 13th was addressed by Mayo Fesler, secretary of the Municipal Association on "Business Principles Applied in Municipal Government." He said that the trouble in America is that we trust too much to good machinery and lay not enough stress on the men who control it. Englishmen, he said, do better because though the machinery is unwieldy, voters insist that good men be responsible for running it.

At the same meeting Judge F. L. Taft talked on a workingmen's compensation act which is probably to be earnestly debated at the next session of the Ohio legislature. Judge Taft said that the present law for compensating employees in cases of accident provokes antagonism between employer and employees.

The meeting of the 27th of October was addressed by Prof. A. R. Hatton, of Western Reserve University, and Samuel M. Parks, of Cleveland, who spoke on the subject, "Human Nature." Professor Hatton spoke on progress toward better government, declaring that the national, state and local government should be made responsible directly to the people through power of initiation, referendum and recall. This meant changes in the constitution, but then such changes are called for, not only in the constitution but the courts, for the constitution has been outgrown.

President Gaehr referred briefly to the splendid work of the Business Literature Committee which has charge of the local association bulletin. He said the committee had done much to make the little bulletin a real factor in strengthening the association among Cleveland's business men.

### **Columbus.**

The program of the business meeting of the Columbus Association of Credit Men, held October 24th, was considerably interfered with because of the wreck which delayed the officers and directors of the National Association of Credit Men who had expected to be on hand. The train bearing the visiting delegates arrived at Columbus three hours late and was met by Secretary Watson and a small band of his members. A few moments and the party arrived to find the members patiently waiting for them. Brief informal addresses were made by H. E. Choate for the directors, and by Secretary Meek.

### **Davenport.**

The Davenport Association of Credit Men on October 21st, entertained several directors of the National Association on their return from the annual fall board meeting at Kansas City. H. J. Zeuch, of Morton L. Marks Company, acted as chairman.

In his address President McAdow, of the National Association, deplored the fact that the bankers of eastern Iowa had not seen the value of the Credit Men's Association to themselves to the extent of giving it their membership and support. He showed how in other cities, banks were the most ardent credit association workers. President McAdow especially emphasized the increasing influence of the organization through its credit exchange bureaus now some forty in number and finally urged all Iowans not to rest content until a thoroughgoing bulk sales law had been adopted for their state.

Director Choate, of Atlanta, followed, pointing in his address to specific advances made by credit men in raising business standards, and Director Essick, himself a banker, seconded President McAdow's demands that bankers take advantage of the opportunity that is theirs through the association to make credit conditions more secure.

Enoch Rauh, of Pittsburgh, a native of Iowa, and Wm. G. Walker, of Boston, followed in able addresses.

### **Denver.**

The Denver Credit Men's Association held a meeting October 12th, when the members had the opportunity to listen to addresses by Secretary Chas. E. Meek, of the National Association of Credit Men; Arthur Parsons, of Salt Lake City, a director of the same, and Harold Remington, representing the bankruptcy law department of the National organization.

President Bayly presided and announced that the principal matter or business before the members was the election of officers. This part of the program took the shape of a burlesque, W. P. McPhee arising with apparent sincerity to protest against the election of the ticket proposed by the nominating committee. The presiding officer was clearly puzzled by the insurgent movement he seemed to have on his hands and tried to assure the insurgents that the ticket had the approval as he believed of the "old guard" members of the organization, whereupon the atmosphere cleared and amid great merriment the ticket was elected as follows: President, I. F. Downer; vice-president, H. J. Thomas; secretary, Frank McLister, and treasurer, F. A. Donahower.

Messrs. Remington, Meek and Parsons had expected to arrive early in the day when the Denver members had planned to give them a luncheon at the country club. However, railway accidents had so delayed the party that few of the faithfuls were on hand to share in the excellent luncheon which had been generously prepared.

### **Detroit.**

The Detroit Credit Men's Association held its regular monthly meeting October 25th, when the Hon. John Vicar made an address on "New Facts About Municipal Ownership," and Wm. Hewitt, manager of the Credit Clearing House, told of the possibilities of the clearing house system of credits. There was an excellent attendance.

### **Grand Rapids.**

Over two hundred members attended the first meeting of the fall season of the Grand Rapids Credit Men's Association, held October 25th.



President Tuthill after opening the meeting named Arthur H. Vandenberg as toastmaster. Mr. Vandenberg spoke of the credit man's duty in civic matters, declaring that the credit man who demands individual stability without ceasing must stand for civic stability, for we cannot divorce citizenship and credit.

Franz C. Kuhn, attorney general of Michigan, followed on "Reforms in Taxation." He reviewed the steps taken in recent years to bring public service corporation taxes up to the point where they would carry their fair burdens of public expense.

Kirke E. Wicks, referee in bankruptcy, read a most interesting paper on "What Creditors Ought and Ought Not to Do in Bankruptcy Matters." He gave great credit to the framers of the national bankruptcy law for their success in protecting all concerned in bankruptcy cases, stated that the essence of the law is equality of distribution, and finally set forth rules which should guide creditors in caring for their interests in insolvency matters. Mr. Wicks declared that if business men were more insistent upon retailers keeping sets of books as a prerequisite of securing credit extensions and also insistent upon property statements, the great liabilities which unworthy retailers are now able to run up would be impossible.

### **Indianapolis.**

The Indianapolis Association of Credit Men held its annual fall meeting October 14th, with excellent attendance. The following officers were elected: Aaron Wolfson, president; Ralph K. Smith, vice-president; Wm. H. Elvin, treasurer, and C. Norwood Hawkins, secretary.

President Wolfson made an earnest and effective speech regarding what he expected of the members in the work of the coming year.

### **Kansas City.**

The Kansas City Association of Credit Men entertained all the officers and directors assembled in its city for annual meeting at a banquet given October 19th at Hotel Baltimore.

H. G. Moore, formerly a director of the National Association, was toastmaster and called upon Leslie J. Lyons, United States District Attorney, to extend the welcome of the community to the visitors. Mr. Lyons declared that the credit men very profitably could work for stricter regulations in the use of the mails. He declared that the laws should be so strict that a business man receiving a letter through the post office should be able to feel that it was only what it purported to be on its face.

Mr. Lyons was followed by Justin A. Runyon, industrial commissioner of the Commercial Club, who spoke on what the great public spirit of Kansas City is accomplishing.

President McAdow, of the National Association, spoke on the necessity of establishing information bureaus which, he said, are the most effective instruments ever devised to cut out abuses in the credit system. He showed clearly how economic waste is the serious problem confronting the country and that the Credit Men's Association has a great task before it to study methods of gradually reducing this needless waste.

Lee M. Hutchins, of Grand Rapids, made a brilliant address on "Commerce and a Square Deal." He pointed to the fact that it is the nation which pays little or no attention to the development of commerce that decays, declared that the corporate form of business is absolutely

essential to modern life and progress and with this admitted our task is to make clear and wholesome the corporation system.

Vice-President Harry New and other National Association representatives addressed the meeting.

### **Los Angeles.**

On October 6th, the Los Angeles association held a meeting at Levy's, which was made an occasion of welcoming home from his European travels Secretary Mushet and also of extending hospitality to Secretary Meek and Harold Remington representing the National Association of Credit Men as visitors at the American Bankers' Association convention.

President W. C. Kennedy presided and after the transaction of routine business called up Newman Essick as the local representative in the board of directors of the National Association of Credit Men and Secretary Meek and Mr. Remington to address the meeting.

### **Milwaukee.**

The Milwaukee Association of Credit Men held a meeting September 22d, and listened to Dean W. C. Webster, of the College of Economics of Marquette University, explain the meaning of so many of our schools of higher learning entering into the field of training young men directly for business. His explanation as found in the "Notes" in the fore pages of the BULLETIN will be found most interesting.

President Graettinger in his short address dwelt upon the loss suffered by the association in the death of Evan H. Jones, who for many years had been one of the stalwart, dependable workers of the organization.

In speaking of enlarging the activities of the association he stated that he and his fellow officers were discussing the feasibility of the noon-day luncheon which had done so much to vitalize local associations all over the country.

S. Fred Wetzler, of the adjustment bureau, made a report which went to show that the bureau is receiving more and more the cordial support of the membership.

### **Minneapolis and St. Paul.**

On October 22d there was a joint meeting of the St. Paul and Minneapolis associations, at which President F. H. McAdow, of the National Association, Secretary Chas. E. Meek and Directors H. E. Choate of Atlanta, Newman Essick of Los Angeles, Lee M. Hutchins of Grand Rapids, Oscar Loeffler of Milwaukee, L. B. McCausland of Wichita, Enoch Rauh of Pittsburgh, and W. G. Walker of Boston, were guests.

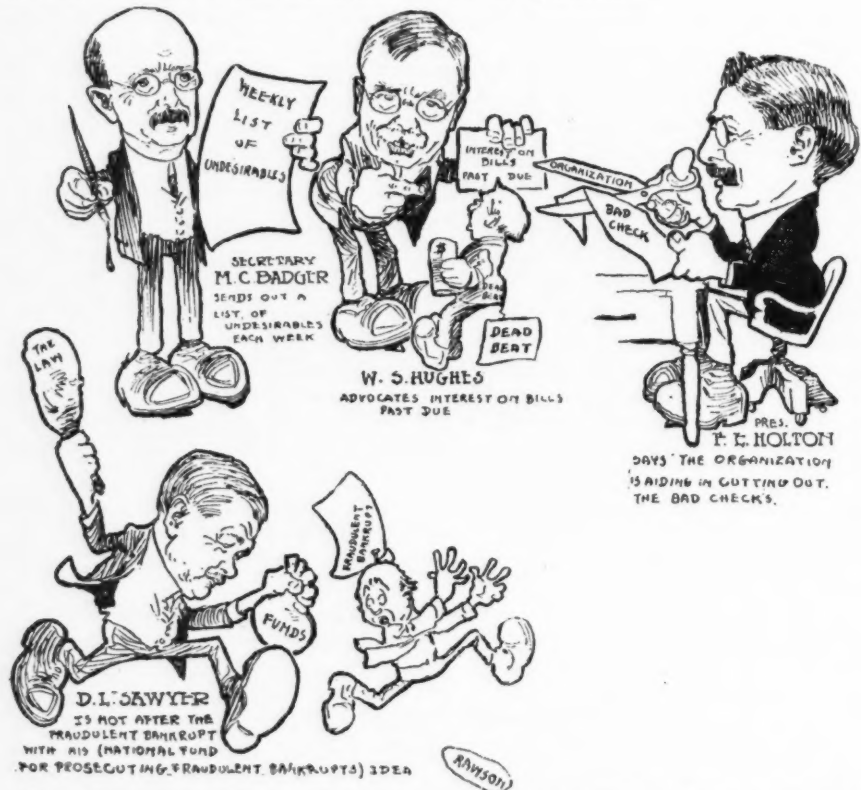
Fred R. Salisbury, of Minneapolis, also a director of the National Association, acted as toastmaster, arousing great enthusiasm by telling his fellows of the Twin Cities that they were to entertain the next annual convention and that they were going "to entertain it right."

President McAdow in his address paid a high tribute to D. L. Sawyer, of Minneapolis, for his magnificent efforts to put the Association in a position to give vigorous fight to fraud in commercial transactions. Mr. McAdow appealed to the members to display more of Mr. Sawyer's spirit, a spirit such as gives assurance that the Association can do what it undertakes. Lee M. Hutchins advised his hearers not to be wearied by the constant accusations that the members of the Association are ever "talking shop," for it is this talk of shop that has caused

our laws to be amended. There will come a day, he said, when we must be bigger men than we are and to this end we must continue to "talk shop."

Mr. Essick spoke of legislation in which banker and merchant are especially interested and urged that our effort never cease to draw the banker into membership in the Association, both for the banker's good and that of the merchant as well.

Mr. Rauh followed, showing how great progress the National Association of Credit Men illustrated in the journey from unremitting commercial warfare to the achievements of co-operation.



(THE MINNEAPOLIS "JOURNAL" GRAPHICALLY PRESENTS CREDIT MEN'S ACTIVITIES.)

Mr. Salisbury called for brief addresses from several other directors and finally for H. W. Parker, president of the St. Paul association, who assured Minneapolis that the men of St. Paul would support with complete loyalty their fellows of Minneapolis in the work of the making Minneapolis convention the greatest ever held by the National Association.

#### Newark.

The Newark Association of Credit Men found the weekly noonday meetings begun last spring were so much appreciated that they are being continued this fall with even larger success. The luncheon of October 27th was addressed by Howard Marshall, former president of the New York Credit Men's Association, a man who knows what can be accomplished through close co-operation.

On October 18th a regular monthly meeting was held when Edward

Kenny member of the Assembly of New Jersey spoke briefly on credit legislation.

President Sansom followed, outlining the plans of the executive committee for the fourth annual banquet of the Newark association to be held November 17th.

#### **New Castle.**

The executive committee of the New Castle Association of Credit Men met October 6th to discuss the proposed "National Prosecution Fund." The general consensus was that the most urgent thing before the association to-day was to establish a local prosecution fund. It was felt that several members would be glad to give their personal support to the larger undertaking but conditions called for local efforts at once.

#### **New York.**

The fifteenth annual fall meeting of the New York Credit Men's Association, held October 22d, at Hotel Astor, was one of unusual interest and enthusiasm.

In his retiring address President Marshall outlined briefly the history of two busy years of association work, for better bankruptcy legislation and practice, for prompter justice in New York courts, for legislation to protect credit interests, notably the auctioneer's law, for the prosecution of fraud, the association having been especially active in this line, in educational work to raise the prestige of the credit man in commercial and public affairs and for increased membership.

In introducing Frank S. Flagg, his successor in the presidency, Mr. Marshall congratulated the association in being able to call to its service a man of such high qualifications. Mr. Flagg then outlined the purposes which would guide him in administering the affairs of the association and called upon his fellow officers, vice-presidents Geo. H. Williams and E. D. Flannery. Mr. Williams made an interesting address on the credit man's profession. His address is elsewhere more largely presented in this BULLETIN.

Mr. Flannery spoke for quality in membership which, he said, is not inconsistent with an increased membership because New York offers an almost unlimited field for building up a solid organization. Mr. Flannery, who as chairman of the committee on prosecution, has aroused much interest in this subject in New York credit circles urged that every member to the limit of his means subscribe toward the proposed \$25,000 prosecution fund.

Chas. Biggs in a speech in which he paid a high tribute to the splendid work of Ex-President Marshall presented him with a silver tea service in behalf of the members.

H. D. Nims, of the New York bar, then made an address on "The Law of Unfair Business Competition," in which he brought out the distinction between common law courts and the relief afforded by the equity divisions. He summed up the progress in court practice in this interesting declaration:

"The law of unfair competition represents earnest effort on the part of the courts to be a help to the honest business man, to put a premium on business fairness and honesty, to furnish a weapon to destroy dishonest and unfair methods. This movement is in its infancy. We have only begun to realize the tremendous power which the court of equity may exercise in regulating and solving the problems of the future. It is bound by no laws except the conscience of the judge. It consequently deals with fraud, but it has never defined what fraud is, lest sometime it be



unable to mete out justice because of that very definition. The future of the commercial life of this city does not rest on the amount of money in the vaults of the banks, on the number of its inhabitants, or the value of its real estate, but on the character of the men who do its business and upon the wisdom of court practice."

The Reverend Arthur T. Fowler spoke eloquently on "The Margin of Character." He made many telling points, summing up his address as follows:

"The thing that gives a man's life its uniqueness and its importance is its differentiation from every other life. A man to be influential and helpful must have some distinctive quality for good running through life which shall give it supremacy over the average life. It is not enough for you to be a moral mediocrity or 'mollycoddle.' You must be superior, supreme, uncommon. Your power lies in your margin of excellence above and beyond that of other men. Superiority of life in commercial, as in other departments of endeavor, is seen in unselfishness and sympathy. In this busy age, the demands made upon you are many, but what a man is—character is the supreme demand—and giving this, its ennobling influence will be felt in your homes, in pleasures, in business and in politics."

Howard S. Mott, of Carleton & Mott, members of the New York Stock Exchange, followed in an interesting address on, "The Business and Financial Outlook." Mr. Mott expressed the conviction that the country had barely escaped a panic this fall, that if it had not been for our unexpectedly large crops this season, which turned the tide of international exchange in our favor and also for the powerful conservative spirit of our metropolitan bankers, a panic, widespread and destructive, would have been inevitable.

#### **New Orleans.**

The New Orleans Credit Men's Association held a meeting November 3d, at De Soto Hotel and listened to addresses by Mayor Behrman, John M. Parker and Solomon Wolff. President Geo. K. Smith presided and spoke of the main points discussed by the board of the National Association at its annual fall meeting held in October at Kansas City.

#### **Oklahoma City.**

Oklahoma City Association of Credit Men tendered Secretary Meek and the members of his party of the board of directors a splendid reception and banquet October 15th.

An address of welcome was delivered by Judge B. F. Burwell. Judge Burwell declared that he was in favor of a policy which will permit the wholesaler and jobber the fullest latitude in inquiring into the financial and moral standing of those to whom they extend credit. He also stood, he said, for laws giving credit grantors the best opportunity to collect outstanding debts; there should be a universal law relative to foreclosures, grounds of attachments to be the same the nation over.

Following Judge Burwell, Secretary Meek spoke on some of the accomplishments and purposes of the National Association of Credit Men and expressed the feeling that with the proposed prosecution fund in hand and work thereunder organized we should see business made far safer than ever before.

George K. Smith, of New Orleans, was next introduced and delighted his hearers by telling them how different Oklahoma City

is to all new visitors from what they anticipate. The growth, and in fact the development of the entire state, he said, is almost beyond credence.

Arthur Parsons, of Salt Lake City, in speaking of three fundamentals of credit,—“Capital, Character and Capacity”—paid to Oklahoma a high tribute when he declared that such growth as was here shown would be impossible unless its business men possessed these qualities in high degree.

L. B. McCausland, of Wichita, and the Rev. J. H. O. Smith, of Oklahoma City, followed in brief addresses.

### **Philadelphia.**

At the annual meeting of the Philadelphia Credit Men's Association held October 25th, the members were addressed by Judge Alfred R. Page, of the Supreme Court of New York, Owen J. Roberts and Ruby R. Vale, of Philadelphia, and Leonard L. Levin, of Pittsburgh.

Officers for the ensuing year were elected as follows: D. G. Endy, president; Chas. D. Joyce, vice-president, and Freas Brown Snyder, treasurer.

### **Pittsburgh.**

The fall work of the Pittsburgh Association of Credit Men has been in full swing during the past month. On October 7th, the mayor of the city addressed the noonday meeting of the association when over five hundred members and guests including the city's leading financial and business men were present. The mayor went into the policy of the city in certain proposed bond issues and discussed better business methods in Pittsburgh municipal affairs.

The October 12th luncheon was in charge of the membership committee which is weekly showing excellent results in gaining new members.

The October 19th meeting proved to be especially interesting the principal speaker being Swami Bodhananda, of India, who spoke on “Ethics of Business.”

The Swami's address delved deeply into Hindu teachings. Many references were made to the golden rule and to the need for concentration for better efficiency. Among other things it was pointed out that the business man should be unselfish and should perform his labors with a view to rendering a just, needful and intelligent service, rather than with the sole idea of personal gain. It was made clear to the members that all men should respect other people's interests, should refrain from injuring others and that by so doing they benefit themselves.

Speaking of concentration, the Swami said that it should be practised until it becomes a fixed habit. Along with many other things recognized by the followers of the best teachings, the speaker deplored Sunday saints and week day sinners.

The October 27th luncheon was addressed by Dr. Edwin Zugsmith, who spoke on “Diet and Exercise,” his remarks being especially directed to the business man of sedentary habits.

The address was both technical and analytical, having particularly to do with the chemical elements necessary in proper food; the processes of food assimilation, and the need for healthful exercise, particularly on the part of business men closely applying themselves to office work.

Maurice Niezer, of Fort Wayne, Ind., ex-president of the National Hay Association, spoke briefly in praise of the able work of the credit men for the progress made through the National Association of Credit Men

in bringing about a greater uniformity in business statutes and for the betterment of credit conditions.

President Enoch Rauh, who as a director of the National Association, had just returned from a board meeting at Kansas City, briefly outlined the arrangements thus far made for the next annual convention to be held in Minneapolis in June, 1911.

A communication was also read from Secretary S. W. Severson of the Philadelphia association, thanking the members of the Pittsburgh association for their promise of support made through Attorney L. S. Levin on behalf of the much desired municipal courts system for the state.

### Portland.

The regular monthly meeting of the Portland Association of Credit Men was held October 20th, with a splendid attendance. This being the first meeting of the year, President Underwood outlined something of the coming year's work. He also called on the chairman of each standing committee, all of whom made it clear that his committee was going to do something definite during the coming year, and at the end of the year would be able to report progress.

The address of the evening was given by L. B. Smith, secretary of the association, on the subject, "The Retailers' Books, as Viewed from the Credit Man's Desk." Mr. Smith called attention to the fact that much of the energy of the association had been exerted, and justly, too, in blotting out and punishing fraud, but he also called attention to the fact that by far the greatest percentage of failures is due to incompetency, and the records show that while the subject of the retailers' books has been mentioned occasionally, nothing had ever been systematically and thoroughly tried to improve accounting weaknesses in retail business.

Mr. Smith called attention to the fact that the credit man asks the retailers for property statements, he asks the salesmen to get reports, he goes to the mercantile agency for reports and statements, refers to banking and mercantile houses for references and consults the Credit Clearing House, which are all well in their way, but if a retailer does not keep an adequate record of his business, how can he make a fair statement? What is the use of the building, if it has no foundation, and the retailer's record is really the foundation of any statement which he might try to make.

In considering the necessity of retailers keeping accounts, Mr. Smith cited five different conditions, some of which are constantly coming up, first, the dishonest man who keeps books fraudulently, second, the honest man who keeps books but incompetency renders his efforts nugatory, third, the dishonest man who keeps no books or records purposely to commit fraudulent failure, fourth, the honest man solvent with a good business, who neglects his books, and renders the working of his capital largely ineffective, where cost systems and an orderly arrangement would add legitimate profit, fifth, the honest, hard working country merchant who enjoys a small but busy trade, keeps long hours, and from the very nature of his business neglects the important matter of record keeping. Mr. Smith gave a true illustration of each of these conditions.

As a remedy for this condition of affairs, Mr. Smith advised that credit men should be urged to include the question, "How do you keep your books?" in their list of systematic inquiries in the printed property statements, and to endeavor in their daily correspondence and by other means to impress upon customers the necessity of making proper records. Credit men should also be urged, he said, to include the same question in

the printed blanks for the use of salesmen, and he said there was one member of the Portland association who has now included in the salesman's report form the request, "Get some idea how he keeps his books and handles his collections." Mr. Smith also recommended that the subject be submitted to the National Committee on Credit Department Methods, with the object of urging all members of local associations to include this question in all property statement blanks. He also recommended that the Committees on Mercantile Agency Service and Credit Co-operation submit the subject to the mercantile agencies, with the view that they should also ask this question when getting a statement, and include it in their reports. He also urged that this idea should be brought out in the different trade journals, and the retailer impressed with the necessity and the benefit of keeping adequate records.

Mr. Smith's talk was one of the most thorough and most practical and intensely interesting that has ever been given the local body, and it is needless to add, was listened to with rapt attention and appreciation, for every credit man present realized the importance of the subject.

#### **Pueblo.**

The Pueblo Association of Credit Men held a meeting October 13th, at Congress Hotel, with nearly every member present. In absence of President W. F. Nelson, who had been detained by reason of the death of President Nuckolls of his concern, Vice-President Brown presided. The principal speakers were Arthur Parsons, a director, and Chas. E. Meek, secretary of the National Association. Mr. Meek congratulated the local association upon the many evidences of activity and interest exhibited by the membership which had resulted in greatly increasing its influence in southern Colorado.

Previous to the meeting Mr. Parsons and Mr. Meek had been given an automobile trip about Pueblo and saw the great advances the city had been making.

#### **St. Louis.**

At the October 13th meeting of the St. Louis Association of Credit Men, the Credit Department Methods Committee through its chairman C. W. Hughes, outlined a plan for a permanent exhibit of credit department forms in the St. Louis office, which when supplemented by the forms being assembled by the National Association will give a very excellent groundwork for a large exhibit.

Resolutions were offered by W. H. Grimes expressive of the association's sense of loss in the death of William O. Sommerfield, of the *St. Louis Republic*. Several members gave testimony to the regard they had formed for Mr. Sommerfield as they had been privileged to meet him through the association's activities.

President Robertson then called upon the Rev. William J. Williamson, who, in an eloquent address entertained the members and guests. He urged his hearers to stand together in the Saint Louis spirit, keep loyal to the city, to discourage knocking, to find something more in any task undertaken than that which appears on the surface, and expressed his pity for the man who only worked from a mercenary standpoint and would not seek to get more out of life than that spirit represents.

J. W. Chilton offered a long list of applications for membership.

#### **Salt Lake City.**

The Utah Association of Credit Men entertained several leaders in the National Association work at a meeting held October 10th, at the Commercial Club.



C. N. Strevell acted as toastmaster, delivering an address of welcome to the guests of the evening. He was followed by the Rev. P. A. Simpkins, who also extended a cordial welcome to the visitors to "the garden spot of the world—the most beautiful city on God's beautiful universe."

Secretary Meek was the principal spokesman for the National Association representatives. He dwelt upon the necessity of the entire Association coming forward flatly for the thoroughgoing prosecution of dishonesty in failure cases by means of a great fund which can be depended upon year after year. He described the growth of the sentiment for such movement as indicated by the fact that so many local bodies now had generous funds ready to fight fraud and these had already done much to make credit more secure, he said.

President Parsons, of the Utah association, followed, and in the course of his address asked for an expression from the local membership regarding establishing a prosecution fund. The meeting went on record as heartily in favor of taking such a step.

Harold Remington, of New York, made an address in which he referred eloquently to the growth of the great Rocky Mountain states and declared that Salt Lake City is destined to become one of the five great industrial and commercial centers of the country.

### **San Diego.**

The Credit Association of San Diego held a meeting October 7th to entertain representatives of the National Association of Credit Men. Fifty members were present. Former President Simon Levi presided in the place of President Leszynsky, who was on his way to San Diego from an Asiatic trip. Addresses were made by Secretary Meek and Sam Ferry Smith, a former secretary. The latter called attention to the spirit of co-operation among San Diego houses as shown by the fact that but two bankruptcy cases had reached the court in an entire year. Co-operation or adjustment, he said, had been made by creditors in all other cases without court intervention.

At the conclusion of the meeting the guests of the association were taken on an automobile ride by moonlight through the suburbs of the city.

### **San Francisco.**

The San Francisco Credit Men's Association held its annual banquet at Palace Hotel, October 28th, and had an informal discussion of "Trade Conditions and Their Improvement." Among the speakers were Frank B. Anderson, president of the Bank of California, and D. J. Alberga, chairman of the Home Industry League, and Herbert Folger of the German-American Insurance Company. Rabbi Martin Meyer also made an address on "Civic Pride."

### **Seattle.**

The subject "Commercial Legislation" occupied mainly the attention of the Seattle Association of Credit Men at the meeting of October 17th. Frank C. Jackson, a member of the state legislature, was the principal speaker, his advice having to do more with methods of securing desired legislation rather than with any special amendments or acts which credit men wish to have adopted. He said that so great is the pressure upon legislators to carry through programs of legislation that it is only by the greatest persistence and unceasing watchfulness that business men can secure their laws.

A resolution was adopted condemning the practice of issuing "not sufficient funds" checks and a portion of the evening was spent in discussing the pros and cons of the "National Prosecution Fund."

### **Spokane.**

The credit men of Spokane held their first regular meeting of the fall months September 30th, seventy being present. This meeting was carried on as informally as possible. Prominent grain men and bankers were called upon to discuss conditions in the Island Empire, of which Spokane is the central point, and while the consensus was that the crop in eastern Washington is short, purchases, it was thought, will run normal because so large a stock of grain had been held back.

H. Wilson, of M. Sellers & Co., summarized for the good of the newer association members the advantages of belonging to the Spokane association—the adjustment bureau, the credit exchange bureau, the freight traffic bureau, and the meetings with fellow credit men as the basis of friendship and warm fellow feeling.

Secretary Campbell described the remarkable reception given sixty delegates of the association in their excursion in a special train over the territory tributary to Spokane. He said that Spokane through a readjustment of rates as ordered by the Interstate Commerce Commission is to have its trade circle considerably widened.

### **Syracuse.**

The October 11th meeting of the Syracuse Association of Credit Men was arranged for by the Business Literature Committee. The committee made two recommendations which were favorably acted upon, first to publish monthly a general letter to the local membership and second to adopt the weekly noonday luncheon plan. Both matters were referred to committees to perfect plans.

It was voted to make of the December meeting an opportunity to bring the credit men and salesmen together in order to increase friendliness between the two departments.

The question box was again a feature of the meeting, these questions being discussed:

- (1) How should ledger accounts be kept when the town, shipping point and post office are different?
- (2) What percentage of a dealer's net worth should constitute the limit of credit extended him by any one house?
- (3) How do you define moral risk?

### **Tacoma.**

The Tacoma Association of Credit Men held its regular monthly meeting October 18th with excellent attendance. Legislation for the state of Washington for the bettering of credit conditions was mainly discussed and it was decided to make every possible effort to join with Seattle and Spokane credit men in a united advance movement.

### **Toledo.**

The Toledo Association of Credit Men held its regular meeting October 21st, having as guests and principal speakers, Frederick P. Vose, of Chicago, general counsel of the National Electrical Trades Association, who talked on "The Measure of a Man," and F. Palmer Church, of Cleveland, who spoke on "The Uplift Movement."

A report was made showing that there is a steady increase in membership, fifteen having joined the association since the fall term began. The purpose is to bring the membership up to 150.

The Thursday noonday meetings held at the Business Men's Club are becoming more and more popular and do much to focus the thought of the members upon problems which call loudly for united effort.

### **Wichita.**

The Wichita Credit Men's Association held a meeting October 18th to entertain a few of the officers and directors of the National Association. The meeting was held in the rooms of the Chamber of Commerce, John L. Powell presided.

Besides Secretary Meek, the National Association was represented by Directors Arthur Parsons( G. K. Smith, and also by L. B. McCausland, of the local association. Credit men from several nearby Kansas towns were also guests.

Mr. Meek in the opening of his address observed that the West must give much credit for its wonderful development to the enterprise of its Chambers of Commerce which as institutions he felt, do much more effective work in the West than the East.

Mr. Meek then spoke on legislation declaring that it is for the credit men to have laws enacted which will supplement the national bankruptcy law in protecting business against fraud; further that vitality must be given these protecting laws through the Credit Men's Association by such means as a "National Prosecution Fund" which he believed must be the next forward step of the organization.

Short addresses were made by several of the local membership in which was expressed generally, hearty sympathy with the progressive program outlined by Secretary Meek.

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### **WANTS.**

**WANTED**—In Los Angeles, California, or vicinity, position as credit or head office man by one thoroughly reliable and competent,—with 15 years' experience in double entry bookkeeping, collections and credits. Last eight years as assistant to manager of a leading wholesale rubber footwear house in Boston, Mass. American, Protestant, 35 years old, can furnish best of references and give bond if required. Address B. M. A., care Chas. E. Meek, 41 Park Row New York, N. Y.

**MANAGER** for a large Western Branch office, with broad experience and qualifications of high character, for a position requiring executive ability, a knowledge of selling, credits and office management. Must be able to manage matters involving detail and system as well as the larger affairs of business. A good opportunity for a man of unquestioned attainments as a business getter and manager. Address D. A. C., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**OPEN FOR ENGAGEMENT**—For a number of years I was credit man for a large wholesale house, later was general manager for the same concern. I am at present engaged with a prominent credit information and collection service but prefer the mercantile field. My references are of the best. I would consider a position with a wholesale house or manufacturing concern as credit man or to take charge of office management. Address L. F. B., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**WANTED**—Position as assistant credit man and collection manager by a young married man, now connected with large manufacturing concern doing world wide business. Good references furnished. Five years' experience as credit and general correspondent and adjuster. Understands accounting, advertising, insurance and selling. Not particular as to locality. Address A. I. S., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**CREDIT AND COLLECTION MAN**; 31 years of age and married, desires to form a new connection. He has had large experience and is at present in

good standing with million dollar corporation in Chicago. Successfully handling twelve thousand accounts, wholesale and retail, and in charge of all correspondence relating thereto. Losses less than normal every year. Best of references. Address G. A., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**SUCCESSFUL CREDIT, COLLECTION AND OFFICE MANAGER** now in New York seeks connection with reliable house anywhere. Has handled accounts, as many as 10,000 at one time, for wholesale and manufacturing concerns; and as manager of law and collection office. Nine years with one house. Immediate expectations moderate if good future is assured. Address Manhattan, care Chas. E. Meek, 41 Park Row, New York, N. Y.

**WANTED**—Young man having six years' experience in credits and collections with large implement concern (in New York state) whose output is now to be sold through jobbers, desires similar position. Can take whole or partial charge in a like department, as conditions may warrant. Best of references. Address L. S. S., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**FIRST-CLASS CREDIT MAN AND ACCOUNTANT** desires to make new connections on or before April 1, 1911. Twenty years' experience as credit, office and financial manager, correspondent, cashier, etc. Address F. S. T., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**CREDIT AND COLLECTION MANAGER**, at present located in Chicago, is looking for a similar position on or before January 1st. Has had ten years' record of success and five years' commercial law experience. Best reason for severing present connection. Can furnish bank, legal and commercial references of highest class. Desires to locate in Chicago or vicinity. Address W. C., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**AUDITOR**—Credit and collection manager wants an opening. Has had excellent experience, age 35. Has devised and installed general accounting systems and systems for obtaining manufacturing costs. Also acted as treasurer and auditor, handling the credits and collections of a large number of accounts. Desires permanent connection in the East. Address F. M. F., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**WANTED**—By a young, unmarried, thoroughly competent and experienced credit and collection man, new connection where hard, successful work will bring improved opportunities. For six years with present house as assistant secretary and office manager, in full charge of credits, collections and correspondence. Widely acquainted with the general store trade. Record speaks for itself. Open for engagement January 1st. Location immaterial. Address X. T. C., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**HIGH CLASS CREDIT MANAGER**, 32 years of age, desires to make a change; has had a large experience in handling credits. At present is office and credit manager of a manufacturing concern in Chicago (one of the largest in the country)—has been with them for twelve years; is a graduate of one of the best law colleges in the country, and is open for engagement with a reliable concern where good judgment, foresight and tact are required. Has satisfactory reasons for desiring to leave present position and can furnish the very best of references. Address A. C., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**AN EXPERIENCED CREDIT WOMAN**, for five years in present position, handling accounts, correspondence, adjustments, etc., for one of the largest manufacturing concerns in the United States, desires similar position in New York City. In both foreign and domestic trade has intimate connections with hardware and novelty lines; handling now over 10,000 accounts. German-American, 28 years of age. Address J. L. T., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**MAN** (30), college and law school graduate; four years' experience in law, collections and credits, wants position with reliable concern where this experience would be of value. Chance for advancement desired. Address R. H., care Chas. E. Meek, 41 Park Row, New York, N. Y.



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**FIRST-CLASS CREDIT MAN AND ACCOUNTANT** desires to make new connections on or before April 1, 1911. Twenty years' experience as credit, office and financial manager, correspondent, cashier, etc. Address F. S. T., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**CREDIT AND COLLECTION MANAGER**, at present located in Chicago, is looking for a similar position on or before January 1st. Has had ten years' record of success and five years' commercial law experience. Best reason for severing present connection. Can furnish bank, legal and commercial references of highest class. Desires to locate in Chicago or vicinity. Address W. C., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**AUDITOR**—Credit and collection manager wants an opening. Has had excellent experience, age 35. Has devised and installed general accounting systems and systems for obtaining manufacturing costs. Also acted as treasurer and auditor, handling the credits and collections of a large number of accounts. Desires permanent connection in the East. Address F. M. F., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**WANTED**—By a young, unmarried, thoroughly competent and experienced credit and collection man, new connection where hard, successful work will bring improved opportunities. For six years with present house as assistant secretary and office manager, in full charge of credits, collections and correspondence. Widely acquainted with the general store trade. Record speaks for itself. Open for engagement January 1st. Location immaterial. Address X. T. C., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**HIGH CLASS CREDIT MANAGER**, 32 years of age, desires to make a change; has had a large experience in handling credits. At present is office and credit manager of a manufacturing concern in Chicago (one of the largest in the country)—has been with them for twelve years; is a graduate of one of the best law colleges in the country, and is open for engagement with a reliable concern where good judgment, foresight and tact are required. Has satisfactory reasons for desiring to leave present position and can furnish the very best of references. Address A. C., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**AN EXPERIENCED CREDIT WOMAN**, for five years in present position, handling accounts, correspondence, adjustments, etc., for one of the largest manufacturing concerns in the United States, desires similar position in New York City. In both foreign and domestic trade has intimate connections with hardware and novelty lines; handling now over 10,000 accounts. German-American, 28 years of age. Address J. L. T., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**MAN** (30), college and law school graduate; four years' experience in law, collections and credits, wants position with reliable concern where this experience would be of value. Chance for advancement desired. Address R. H., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**A MAN** of exceptional qualifications and experience desires to locate with a house which believes in systematic and thoroughly progressive methods; this party can show credentials entitling him to more than ordinary attention on the part of a concern needing a general manager in the financial, advertising and selling end of its business. He has initiated plans which have made a comparatively small house a large business. Ample references for an investigation can be given. Address Initiative, care Chas. E. Meek, 41 Park Row, New York, N. Y.

**A YOUNG MAN**, with nine years' experience as manager of credits, collections and advertising, wishes to change position. Any firm interested can have full information by addressing X. N. X., care Chas. E. Meek, 41 Park Row, New York, N. Y.

**WANTED**—Manager of collection department by a large manufacturer of specialties in the Middle West. An attorney with collection experience will be preferred. Those without any experience in collecting need not reply, for no one but an experienced man will be considered. A good and permanent position to the right man. Address Collections, care Chas. E. Meek, 41 Park Row, New York, N. Y.

**AN EXPERIENCED CREDIT MAN AND BOOKKEEPER** desires to locate with a house where ability and faithfulness will be recognized. Has had years of experience in checking out credits and supervising the work of the office. Is himself a thorough bookkeeper and familiar with custom house matters. Any firm desiring a reliable and steady man with very high references will find it an advantage to address L. E. O., care Chas. E. Meek, 41 Park Row, New York, N. Y.

#### Directory of Officers of the Affiliated Branches of the National Association of Credit Men.

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**CLEVELAND, O.**—Cleveland Association of Credit Men. President, A. J. Gahr, Geo. Worthington Co.; Secretary, H. J. Bruehler, 505 Chamber of Commerce Bldg.

**COLUMBUS, O.**—Columbus Credit Men's Association. President, J. J. Jennings, City National Bank; Secretary, Benson G. Watson, 601-605 The New First National Bank Bldg.

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**EL PASO, TEX.**—El Paso Association of Credit Men. President, James A. Dick,

- The James A. Dick Co.; Secretary, H. E. Christie, 30 National City Bank Bldg.
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- LYNCHBURG, VA.—Lynchburg Credit Men's Association. President, Edward F. Shaffey, Craddock-Terry Co.; Secretary, J. M. Funkhouser, Smith-Briscoe Shoe Co.
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- NASHVILLE, TENN.—Nashville Credit Men's Association. President, Chas. T. Sullivan, Weatherly, Armistead, McKennie Co.; Secretary, George M. Thomas, 307 Stahlman Bldg.; Assistant Secretary, Charles H. Warwick.
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- NEW CASTLE, PA.—New Castle Association of Credit Men. President, S. P. Smith, Smith-Daggett-Kurtz Co.; Secretary, Roy M. Jamison, 509 Greer Block.
- NEW ORLEANS, LA.—New Orleans Credit Men's Association. President, George K. Smith, Simonds Mfg. Co., Ltd.; Secretary, T. J. Bartlette, Williams, Richardson & Co., Ltd.
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